

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

WEATHERLY OIL & GAS, LLC,¹

Debtor.

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Chapter 11

Case No. 19-31087 (MI)

NOTICE OF AMENDED BID WITH RESPECT TO ROBERTSON/LEON ASSETS
(Relates to ECF Nos. 316, 323, 324)

PLEASE TAKE NOTICE that on June 4, 2019, the United States Bankruptcy Court for the Southern District of Texas entered the Amended Order (A) Approving Auction and Bid Procedures, and (B) Authorizing and Scheduling an Auction for the Sale of the Debtor's Assets [ECF No. 323] (the "Bid Procedures Order"), which approved certain bid procedures [ECF No. 324] (the "Bid Procedures") for an auction (the "Auction") and sale (the "Sale") of Debtor's Shelby Assets and Robertson/Leon Assets;

PLEASE TAKE FURTHER NOTICE that prior to the Bid Deadline, the Debtor received an offer (the "Original Five Jab Bid") from the JamSam Energy, L.L.C. and Southcoast Production, Inc. (collectively, "Five Jab") for the Robertson/Leon Assets (including the Boswell Unit) and the Naconiche Creek assets ("Nac Creek Assets"). The cash consideration component of the Original Five Jab Bid is \$2.25 million. Additional consideration takes the form of assumed plugging and abandonment obligations. The Original Five Jab Bid includes acquisition of the entirety of the Robertson/Leon Assets package. The Original Five Jab Bid also provides for the assumption of the remaining plugging and abandonment in the State of Texas. The Original Five Jab Bid also included the Alternative Bidder Deposit by wiring a deposit of \$225,000 to the Debtor;

PLEASE TAKE FURTHER NOTICE that pursuant to the Bid Procedures, Angelo Gordon Energy Servicer, LLC ("AG") maintains that its consent is required for the Original Five Jab Bid to be deemed a Qualifying Bid. At a hearing on June 26, 2019, counsel for the Debtor announced a stipulation on the record that, among other things, withdrew the Debtor's prior designation of the Original Five Jab Bid as a Qualifying Bid, and acknowledged that AG's consent is required. The parties also announced on the record that AG consented to extending the bid deadline twenty-four (24) hours to allow Five Jab an opportunity to submit an amended bid or otherwise obtain AG's consent. By agreement between Five Jab and AG, that deadline was further extended to 5:00 p.m. (CT) on Friday, June 28, 2019;

¹ The Debtor in this chapter 11 case, along with the last four digits of the Debtor's federal tax identification number, is: Weatherly Oil & Gas, LLC (4115). The Debtor's service address is: 777 Taylor St., Suite 902, Fort Worth, TX 76102.

PLEASE TAKE FURTHER NOTICE that at approximately 3:45 p.m. (CT) on June 28, 2019, the Debtor received an amended bid from Five Jab (the “Amended Five Jab Bid”). A true and correct copy of the Amended Five Jab Bid is attached as Exhibit A. The Amended Five Jab Bid improved the cash consideration by \$175,000 to \$2,425,000, and simultaneously increased the required escrow deposit by \$17,500. All other aspects of the Original Five Jab Bid were not changed or amended;

PLEASE TAKE FURTHER NOTICE that after considering the Amended Five Jab Bid, on June 29, 2019, AG advised counsel for the Debtor that the Amended Five Jab Bid, while slightly improved, falls short of what AG advised would be required to obtain its consent. Accordingly, it is the Debtor’s understanding that AG does not consent to the Amended Five Jab Bid, and, as announced on June 26, 2019, the Debtor acknowledges that AG’s consent is required. As announced, absent AG’s consent, the Boswell Credit Bid would be the only Qualified Bid, and therefore, the Winning Bid;

PLEASE TAKE FURTHER NOTICE that copies of all documents filed in this Chapter 11 Case are available free of charge by visiting <https://dm.epiq11.com/Weatherly> or by calling U.S. toll free: (877) 568-3542; International (503) 520-4495. You may also obtain copies of any pleadings by visiting the Court’s website at <https://ecf.txsb.uscourts.gov> in accordance with the procedures and fees set forth therein.

Houston, Texas
July 1, 2019

/s/ Matthew D. Cavanaugh
Matthew D. Cavanaugh (TX Bar No. 24062656)
Elizabeth C. Freeman (TX Bar No. 240009222)
Kristhy M. Peguero (TX Bar No. 24102776)
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**COUNSEL FOR THE DEBTOR
AND DEBTOR IN POSSESSION**

Certificate of Service

I certify that on 1st day of July 2019, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Matthew D. Cavanaugh

Matthew D. Cavanaugh

Exhibit A

Amended Five Jab Bid



JAMSAM ENERGY, L.L.C.

June 28, 2019

Ankura
Attn: Dan W. Johnson
1775 Sherman Street, Suite 2775
Denver, Colorado 80203

Sent via email to: dan.johnson@ankura.com; mcavenaugh@jw.com; jbain@joneswalker.com

Dear Mr. Johnson:

- **Proposed Structure:** Cash and assumption of wellbores.
- **Purchase Price:** \$19,227,674.40 (Nineteen Million Fifty-Two Thousand Six Hundred Seventy Four Dollars and 40/100) broken down as follows:
 - \$16,802,674.40 (Sixteen Million Eight Hundred Two Thousand Six Hundred Seventy-Four Dollars and 40/100) potential wellbores plug & abandonment ("P&A") liability.
 - \$2,425,000.00 (Two Million Four Hundred Twenty Five Thousand Dollars and No/100) in readily available funds.
- **\$242,500.00 Deposit:** \$225,000.00 (Two Hundred Twenty-Five Thousand Dollars No/100) was wired on Tuesday, the 25th of June, 2019 & \$17,500.00 (Seventeen Thousand Five Hundred Dollars and No/100) was wired on Friday, the 28th of June, 2019.
- **Agreement:** Purchase & Sale Agreement ("PSA")

- **Financing:** None
- **Acquiring Entity:** For avoidance of any doubt with respect to the assumption of liability, JamSam Energy, L.L.C. ("JamSam") will be the acquiring entity for the Roberston County, Texas wellbores (operated) only and as such will execute the proposed PSA (and Assignment, Bill of Sale and Conveyance) for only the Roberston County, Texas wellbores (operated). Southcoast Production, Inc, ("Southcoast") will be the acquiring entity for any and all remaining wellbores (operated & non-operated) only in the enclosed well listing (excluding the Robertson County, Texas operated wellbores) and as such will execute the proposed PSA (and (and Assignment, Bill of Sale and Conveyance) for only those any and all remaining wellbores.
- **Closing:** On or before July 9, 2019
- **Effective Date:** July 1, 2019 at 12:01 AM CST
- **Contingencies:** None
- **Other:** JamSam and Southcoast are fully prepared to consummate the transaction promptly by executing its respective PSA as it relates to the specific wellbores acquiring (identified above) following entry of the Sale Order. This offer reflected in such bid shall remain open and irrevocable until the conclusion of the Auction. Additionally, this bid excludes any Shelby assets.



CommunityBank
OF TEXAS

June 28, 2019

RE: JAMSAM Energy, LLC

TO WHOM IT MAY CONCERN:

Please accept this letter as verification that the referenced customer has available assets to cover a \$2,425,000.00 transaction.

JAMSAM Energy is a valued customer of CommunityBank of Texas, N.A. and any courtesy would be appreciated. Should you have any questions or need any additional information, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Michael E. Pfisterer".

Michael E. Pfisterer
CEO/Champions Office

MEP/prp