

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

In re: NITRO FLUIDS, LLC, <i>et al.</i> Debtors.¹	§ § § § § § § §	Chapter 11 Case No. 24-60018 (CML) (Jointly Administered)
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**NOTICE OF CURE COSTS AND POTENTIAL ASSUMPTION AND ASSIGNMENT OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES
IN CONNECTION WITH SALE**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On May 29, 2024, Nitro Fluids, LLC, NFH Leasing, LLC, and Straitline Pumps, LLC, as debtors and debtors in possession (collectively, the “Debtors”) filed with the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) a motion (Docket No. 61) (the “Motion”) for the entry of an order (the “Bidding Procedures Order”)² (i) approving (a) the Bidding Procedures, substantially in the form attached to the Bidding Procedures Order as **Exhibit 1**; (b) setting the deadline for potential bidders to submit a proposal to purchase the Debtors’ businesses or assets (the “Bid Deadline”), authorizing and

¹ The Debtors in these chapter 11 cases, along with the last four digits of the Debtors’ federal tax identification numbers, are Nitro Fluids, LLC (2119); NFH Leasing, LLC (9218); Straitline Pumps, LLC (4168). The location of the service address for Nitro Fluids, LLC and NFH Leasing, LLC is: 117 Broadway, Nordheim, TX 78141. The location of the service address for Straitline Pumps, LLC is: 13750 San Pedro Ave., Ste. 560, San Antonio, Texas 78232.

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion, Bidding Procedures Order, and the Bidding Procedures, as applicable. Any summary of the Bidding Procedures Order or the Bidding Procedures contained herein is qualified in its entirety by the actual terms and conditions thereof. To the extent that there is any conflict between any such summary and such actual terms and conditions, the actual terms and conditions shall control.

scheduling an auction (the “Auction”), authorizing and scheduling hearings with respect to the approval of a proposed sale transaction (the applicable “Sale Hearing”); (c) authorizing and approving the form and manner of the Sale Notice; (d) authorizing and approving the Cure Notice to Contract Counterparties regarding the Debtors’ potential assumption and assignment of the Assigned Contracts and of the Debtors’ calculation of the amount necessary to cure any defaults thereunder (the “Cure Costs”); (e) authorizing and approving procedures for the assumption and assignment of the Assigned Contracts and the determination of Cure Costs with respect thereto (collectively, the “Assumption and Assignment Procedures”); (ii) authorizing the sale of certain of the Assets free and clear of all liens, claims, encumbrances, and other interests pursuant to section 363(f) of the Bankruptcy Code following the sale process and completion of the Auction (collectively, the “Sale Transactions”); (iii) authorizing procedures for *de minimis* asset sales; and (iv) granting related relief.

2. Each of the Assigned Contracts that may be assumed and assigned in connection with the Sale Transactions with a Successful Bidder and the Debtors’ calculation of the Cure Costs with respect thereto are set forth on **Exhibit A** and **Exhibit B** hereto. The Cure Costs are the only amounts proposed to be paid upon the assumption and assignment of the Assigned Contracts.

3. The inclusion of any contract or lease on **Exhibit A** or **Exhibit B** shall not constitute or be deemed a determination or admission by the Debtors that such contract or other document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved).

4. Notwithstanding the inclusion of any lease or contract on **Exhibit A** or **Exhibit B**, a Successful Bidder is not bound to accept assignment of any Assigned Contract, and may amend the schedule of Assigned Contracts to remove any contract or lease.

5. If (a) the Debtors identify (i) additional contracts or leases to be assumed and assigned to a Successful Bidder or (ii) modifications that need to be made to a proposed Cure Cost previously stated in the Cure Notice, or (b) a Successful Bidder designates any additional contracts or leases not previously included on this Cure Notice for assumption and assignment, the Debtors shall promptly file with the Court and serve by first class mail on the applicable Contract Counterparty a supplemental Cure Notice. The Debtors shall assume and assign contracts and leases to a Successful Bidder in accordance with the deadline provided in the applicable Purchase and Sale Agreement (generally, up to ninety (90) days after closing).

OBJECTIONS

A. Cure Objections

6. Any objection to the proposed assumption, assignment, or potential designation of an Assigned Contract identified on **Exhibit A** or **Exhibit B**, the subject of which objection is the Debtors' proposed Cure Costs (a "**Cure Objection**") must:

- (a) be in writing;
- (b) state the name and address of the objecting party and the amount and nature of the claim or interest of such party;
- (c) state with particularity the basis and nature of any objection, and provide proposed language that, if accepted and incorporated by the Debtors, would obviate such objection;
- (d) conform to the Bankruptcy Rules and the Local Rules; and
- (e) be filed with the Court.

7. IF NO OBJECTION IS TIMELY RECEIVED WITH RESPECT TO AN ASSIGNED CONTRACT (THE "CONTRACT OBJECTION"): (I) THE CONTRACT COUNTERPARTY TO SUCH ASSIGNED CONTRACT SHALL BE DEEMED TO HAVE CONSENTED TO THE ASSUMPTION BY THE DEBTORS AND ASSIGNMENT TO

SUCCESSFUL BIDDER OF THE ASSIGNED CONTRACT, AND BE FOREVER BARRED FROM ASSERTING ANY OBJECTION WITH REGARD TO SUCH ASSUMPTION AND ASSIGNMENT (INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO ADEQUATE ASSURANCE OF FUTURE PERFORMANCE BY THE SUCCESSFUL BIDDER); (II) ANY AND ALL DEFAULTS UNDER THE ASSIGNED CONTRACT AND ANY AND ALL PECUNIARY LOSSES RELATED THERETO SHALL BE DEEMED CURED AND COMPENSATED PURSUANT TO BANKRUPTCY CODE SECTION 365(B)(1)(A) AND UPON PAYMENT OF THE CURE COSTS SET FORTH IN THE CURE NOTICE FOR SUCH ASSIGNED CONTRACT; AND (III) THE CONTRACT COUNTERPARTY SHALL BE FOREVER BARRED FROM ASSERTING ANY OTHER CLAIMS RELATED TO SUCH ASSIGNED CONTRACT AGAINST THE DEBTORS AND THEIR ESTATES OR THE SUCCESSFUL BIDDER, OR THE PROPERTY OF ANY OF THE THEM, THAT EXISTED PRIOR TO THE ENTRY OF THE ORDER RESOLVING SUCH CONTRACT OBJECTION AND ANY SALE ORDER.

8. Cure Objections with respect to any Assigned Contracts identified on **Exhibit A** or **Exhibit B** to a Successful Bidder must be filed by **July 29, 2024 (prevailing Central Time)**.

B. Adequate Assurance Objections

9. Objections to the provision of adequate assurance of future performance (each, an “**Adequate Assurance Objection**”) with respect to the assumption and assignment of any Assigned Contracts identified on **Exhibit A** or **Exhibit B** to a Successful Bidder must be filed in accordance with the preceding paragraphs 6-7 by **September 20, 2024 (prevailing Central Time)** for all Sale Transactions.

10. IF NO TIMELY ADEQUATE ASSURANCE OBJECTION IS FILED WITH RESPECT TO AN ASSIGNED CONTRACT OR A SUCCESSFUL BIDDER, THE DEBTORS WILL BE DEEMED TO HAVE PROVIDED ADEQUATE ASSURANCE OF FUTURE PERFORMANCE FOR SUCH ASSIGNED CONTRACT IN ACCORDANCE WITH SECTION 365(F)(2)(B) OF THE BANKRUPTCY CODE AND THE CONTRACT COUNTERPARTY SHALL FOREVER BE BARRED FROM ASSERTING AGAINST THE DEBTORS, THEIR ESTATES, AND A SUCCESSFUL BIDDER, ANY ADDITIONAL OBLIGATION TO PROVIDE ADEQUATE ASSURANCE OF FUTURE PERFORMANCE. FURTHER, IF NO TIMELY CURE OBJECTION OR ADEQUATE ASSURANCE OBJECTION IS FILED WITH RESPECT TO AN ASSIGNED CONTRACT, THE RELEVANT CONTRACT COUNTERPARTY SHALL BE DEEMED TO HAVE CONSENTED TO THE ASSUMPTION AND ASSIGNMENT OF THE ASSIGNED CONTRACT TO A SUCCESSFUL BIDDER.

SALE HEARING

11. The Debtors will seek to assume and assign the Assigned Contracts at the applicable hearing to approve the Sale Transactions (the applicable “Sale Hearing”) that is scheduled to commence on **September 25 at 1:00 p.m. (prevailing Central Time)**, before the Honorable Christopher M. Lopez of the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”), 515 Rusk Street, Houston, TX 77002. Objections, if any, that cannot otherwise be resolved by the parties, will be heard at a hearing scheduled prior to any scheduled closing of the Sale Transactions, as determined by the Debtors in accordance with the Bidding Procedures Order.

ADDITIONAL INFORMATION

12. Copies of the Motion, the Bidding Procedures Order, and the Bidding Procedures may be obtained free of charge at the website dedicated to the Debtors' chapter 11 cases maintained by the Debtors' claims and noticing agent, Epiq Corporate Restructuring, located at <https://dm.epiq11.com/case/nitrofluids/info>.

Dated: July 15, 2024

Respectfully submitted,

/s/ Eric T. Haitz

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COUNSEL FOR THE DEBTORS

CERTIFICATE OF SERVICE

I certify that on July 15, 2024, a true and correct copy of the foregoing document was served via the Court's CM/ECF system.

/s/ Eric T. Haitz

Eric T. Haitz

EXHIBIT A***Nitro Fluids, LLC Contracts*****Nitro Fluids, LLC - Executory Contracts**

Case #24-60018

Counterparty	Account Number	Contract Description	Term	Cure Amount
Republic Services	3-0688-1011324	Disposal Services @ 5114 S. Veronica Street, Monahans, Texas	36 Months Beg. 02/01/2024	\$0.00
AFCO	04-92458017-01	Cyber & EPLI Insurance	11 Months Beg. 09/15/2023	\$0.00
Ford Credit	60705478	Purchase of LT-215522-FO	36 Months Beg. 12/02/2021	\$0.00
Ford Credit	60705518	Purchase of LT-215622-FO	36 Months Beg. 12/02/2021	\$0.00
Ally Financial	228309148278	Purchase of LT-215724-GM	36 Months Beg. 11/02/2023	\$0.00
GM Financial	211077065571	Purchase of LT-215824-CH	36 Months Beg. 11/21/2023	\$0.00
TXU Energy	100037339647	Electricity @ 1751 E South Fork House, Odessa, Texas		\$0.00
TXU Energy	100052927487	Electricity @ 5108 S. Stockton Ave, Monahans, Texas		\$0.00
TXU Energy	100052927476	Electricity @ 5111 S Ursila Ave, Monahans, Texas		\$0.00
TXU Energy	100052927465	Electricity @ 5122 S Veronica RV, Monahans, Texas		\$0.00
TXU Energy	100052915870	Electricity @ 5118 S Veronica St. Front, Monahans, Texas		\$0.00
TXU Energy	100052915492	Electricity @ 5118 S Veronica St., Monahans, Texas		\$0.00
TXU Energy	100055564791	Electricity @ 5120 S Veronica St., Trailer A, B, D, Monahans, Texas		\$0.00

Ex. A

TXU Energy	100052926610	Electricity @ 5120 S Veronica St., Unit RV, Monahans, Texas	\$0.00
GVEC	275906002	Electricity @ 686 Cemetery Road, Nordheim, Texas	\$0.00
GVEC	275906005	Electricity @ 686 Cemetery Road, Nordheim, Texas	\$0.00
GVEC	275906004	Electricity @ 840 Cemetery Road, Nordheim, Texas	\$0.00
GVEC	275906003	Electricity @ 840 Cemetery Road, Nordheim, Texas	\$0.00
GVEC	275906001	Electricity @ 840 Cemetery Road, Nordheim, Texas	\$0.00
GVEC Internet	001-030688	Internet for 686 Cemetery Road, Nordheim, Texas	\$0.00
Texas Disposal Systems, Inc.	22-20750 2	Disposal Services @ 872 Cemetery Road, Nordheim, Texas	\$0.00
Texas Disposal Systems, Inc.	10-43579	Disposal Services @ 840 Cemetery Road, Nordheim, Texas	\$0.00
Texas Disposal Systems, Inc.	10-0018871 3	Disposal Services @ 686 Cemetery Road, Nordheim, Texas	\$0.00
Green Mountain Energy	15285573-0	Electricity @ The McCarthy Apartment	\$0.00
AT&T Mobility	287231686677	Employee Cell Phone	\$0.00
AT&T	831-000-9037 528	Land Line Phones for 5118 S Veronica St., Monahans, Texas	\$0.00
AT&T	831-000-9037 487	Linternet for 5118 S Veronica St., Monahans, Texas	\$0.00
AT&T	361 938-7335 610 0	Land Line Phones for 117 Broadway, Nordheim, Texas	\$0.00
AT&T	361 938-5342 135 3	Land Line Phones for 686 Cemetery Road, Nordheim, Texas	\$0.00
Fagan Answering Service	4127	Answering Service for 686 Cemetery Road, Nordheim, Texas	\$0.00
AT&T	296941222	Cable & Internet for The McCarthy Apartment	\$0.00
Berkley Oil & Gas	0018881117-17	General Liability Insurance	\$0.00
Berkley Oil & Gas	40002979	Auto, Property, Commercial Umbrella Insurance	\$0.00
Texas Mutual	51815125	Worker's Compensation Insurance	\$0.00

Ex. A

EXHIBIT B*Straitline Pumps, LLC Contracts***Straitline Pumps, LLC - Executory Contracts**

Case #24-60020

Counterparty	Mailing Address for Counterparty	Title of Contract/Lease	Contract Date	Expiration	Cure Amount
Bob Koricanek	6001 FM 24 Yorktown, TX 78164	Texas Commercial Lease	1/1/2022	12/31/2024	\$71,803.00
Jackie Ray Simpson		Texas Commercial Lease	1/1/2022	12/31/2024	\$71,803.00
Canon Financial	14904 Collections Center Dr Chicago, IL 60693	Rental Agreement	2/24/2022	2/24/2026	\$0.00
Montesan, L.L.C	MSG Mgmt 13750 San Pedro Ave Ste B10 San Antonio, TX 78232	Lease Agreement	11/1/2021	10/31/2024	\$0.00
Shred-It	28883 Network Pl Chicago, IL 60673	Rental Agreement	2023	2028	\$0.00
Vonage			6/29/2018	6/28/2025	\$0.00
BlueCross BlueShield	PO Box 650615 Dallas, TX 75265-0615		1/1/2023		\$0.00
Dental	PO Box 650615 Dallas, TX 75265-0615		1/1/2024		\$0.00
Dearborn National	36788 Eagle Way Chicago, IL 60678		12/14/2023		\$0.00
Berkley Oil & Gas	PO Box 639831 Cincinnati, OH 45263		5/12/2024	5/12/2025	\$0.00
Texas Mutual	PO Box 841843 Dallas, TX 75284		5/12/2024	5/12/2025	\$0.00
Argonaut			5/12/2024	5/12/2025	\$0.00
Travelers	PO Box 660317 Dallas, TX 75266		5/12/2024	5/12/2025	\$0.00
First Insurance Funding	450 Skokie Blvd STE 1000 Northbrook, IL 60062		5/12/2024	5/12/2025	\$0.00
Keep Truckin Inc	55 Hawthorne St #400 San Francisco, CA 94105		10/1/2023	Monthly	\$0.00
Karnes	PO Box 7 Karnes City, TX 78118		2022	Monthly/Utility	\$0.00
QuickBooks					\$0.00