

**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)
---	--	--

**DECLARATION OF RAYMOND L. BROWN JR. IN SUPPORT OF ORDER
APPROVING THE SALE OF CERTAIN OF DEBTORS' ASSETS TO FLYING A
PUMPING SERVICES, LLC FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS
AND ENCUMBRANCES AND GRANTING RELATED RELIEF**

I, Raymond L. Brown Jr., declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury that:

1. I am Partner of PPHB LP ("PPHB"). PPHB is a provider of financial advisory and investment banking services that maintains offices which has its principal office at 1885 St. James Pl, Suite 900, Houston, TX 77056. I submit this declaration (this "Declaration") in support of the Selling Debtors' *Motion for Entry of An Order Approving (I) (a) Bidding Procedures, and (b) Assumption and Assignment Procedures; (II) Sale of Certain of the Debtors Assets Free And Clear Of Liens, Claims, Interests, And Encumbrances; (III) Procedures for De Minimis Asset Sales; and (IV) Related Relief* [Docket No. 61] (the "Sale Motion") filed by Nitro Fluids, LLC, NFH Leasing, LLC, and Straitline Pumps, LLC as debtors and debtors in possession (each a "Selling Debtor")

¹ The Debtors in these chapter 11 cases, along with the last four digits of the Debtors' federal tax identification numbers, are: Nitro Downhole, LLC (2041), Nitro Fluids, LLC (2119); NFH Leasing, LLC (9218); Straitline Pumps, LLC (4168). The location of the service address for Nitro Downhole, LLC Nitro Fluids, LLC and NFH Leasing, LLC is: 117 Broadway, Nordheim, TX 78141. The location of the service address for Straitline Pumps, LLC is: 17115 San Pedro Ave., Ste 320, San Antonio, Texas 78232.

and together, the “Selling Debtors”).

2. On May 15, 2024, each of the Selling Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), initiating the Selling Debtors’ chapter 11 cases (together, the “Chapter 11 Cases”).

3. Except as otherwise indicated herein, all facts set forth in this Declaration are based upon my personal knowledge, experience and information concerning the Selling Debtors, my review of relevant business records, and information provided to me by the Selling Debtors and their professionals and PPHB employees working under my supervision. I am not being compensated specifically for this testimony.

4. PPHB, as a professional retained by the Selling Debtors, will receive payments in its capacity as investment banker to the Selling Debtors, including in connection with the closing of the transaction contemplated pursuant to the Sale Motion. If called upon to testify, I would testify competently to the facts set forth herein.

QUALIFICATIONS

5. I have more than 21 years of investment banking experience with a focus on oil and gas merges and acquisitions, and financing transactions. Prior to becoming a founding member of PPHB in 2003, I work at GCP Securities, where I led and managed merger and acquisition and private equity transactions focused in oilfield services and manufacturing. Prior to entering the investment banking industry, I spent nine years with Halliburton Company in various capacities and divisions. My final position was *Director of Business Development* providing development capital to oil and gas companies. I have a degree in civil engineering from the University of Mississippi and a Masters in Business Administration from Southern Methodist University.

6. PPHB brings together tremendous investment banking insight from a cross-section of the firms from large institutions like Chase Securities (now JPMorgan Chase) and CIBC World

Markets to smaller, more middle-market focused firms like Raymond James and Rauscher Pierce. Prior to joining PPHB, PPHB's founding partners managed public and private debt offerings and advised on both the sell and buy sides of mergers and acquisitions.

7. PPHB and its professionals have worked with financially-troubled companies, including distressed oilfield services companies, and their stakeholders in complex financial restructurings, both in chapter 11 cases and out-of-court proceedings. PPHB's business reorganization professionals have served as financial advisors or investment bankers to companies and creditors in numerous restructurings.

8. I have experience with distressed companies, including advising both debtors and creditors in chapter 11 cases and in out-of-court restructurings. During the past 21 years, I have worked on and analyzed numerous financings for troubled companies. In addition, as a restructuring professional, I follow developments in the restructuring field and, in particular, keep abreast of the terms of current sale transactions in distressed and bankruptcy situations.

THE MARKETING PROCESS

9. PPHB was initially engaged on or about May 29, 2024. During this initial engagement, I, along with other members of the team at PPHB, have worked closely with the Selling Debtors' senior management team, Riverbend Special Situations Group ("Riverbend"), and Bonds Ellis Eppich Schafer Jones LLP, the Selling Debtors' counsel in the Chapter 11 Cases (collectively with PPHB and Riverbend, the "Restructuring Advisors"), and became acquainted the Selling Debtors' business, finances, operations, systems and assets. PPHB, together with the other Restructuring Advisors, worked during June 2024 through November 2024 (the "Initial Marketing Period") to develop and execute a process to market and sell the Selling Debtors' assets (collectively, the "Assets"). Such marketing and sale process included (a) the identification of the Assets, (b) the development of marketing materials describing the Assets, their history, their use,

and the opportunities the Assets present, (c) the creation of a virtual data room containing information concerning the Assets, (d) the identification of and contacting potential strategic and financial buyers for the Assets, (e) facilitating due diligence gathering via phone and in person meetings with potential buyers, and (f) negotiating transaction structure with potential buyers interested in acquiring some or all of the Assets.

10. In connection with marketing the Assets during the Initial Marketing Period, PPHB contacted approximately 118 potential strategic partners and 34 financial buyers. Ultimately, 25 potential buyers and four potential debt financing providers executed a non-disclosure agreement and were given access to the data room. PPHB then worked extensively with approximately 20 interested parties to further diligence the Assets. Throughout the marketing process, PPHB worked cooperatively and constructively with all interested parties to consider all viable purchase opportunities.

11. During the Initial Marketing Period, PPHB's efforts resulted in two executed asset purchase agreements—one with KLX and one with Element—grossing the Selling Debtors in excess of \$1.5 million. Following the Initial Marketing Periods, I understand that the Selling Debtors began focusing their chapter 11 efforts on negotiating with estate stakeholders for the potential emergence of one or more reorganized debtors. Accordingly, PPHB agreed with the Selling Debtors to conclude PPHB's engagement as the Selling Debtors' investment banker. This Court approved PPHB's first and final fee application at Docket No. 483.

12. In late February 2025, the Selling Debtors' management and Restructuring Advisors contacted PPHB to re-commence the marketing and sale efforts. PPHB immediately began re-marketing the Assets, including, among other things: (a) updating and confirming the Assets remaining after the closing of prior sales pursuant to the Sale Motion; (b) the further

developing marketing materials describing the Assets, their history, their use, and the opportunities the Assets present; (c) updating and expanding the virtual data room containing information concerning the Assets; (d) coordinating with the Selling Debtors' management and the other Restructuring Advisors in the identification of potential strategic and financial buyers for the Assets; (e) facilitating due diligence gathering via phone and in person meetings with management personnel of the Selling Debtors; and (f) negotiating transaction structure with potential buyers interested in acquiring some or all of the Assets

DESIGNATION OF FLYING A AS STALKING HORSE BIDDER AND SOLICITATION OF OTHER QUALIFIED BIDDERS

13. PPHB began the process by contacting a select group of potential buyers that had expressed interest in the assets during the Initial Marketing Period. On March 13, 2025, the Company executed a Letter of Intent (LOI) with Flying A Pumping Services, LLC ("Flying A") to acquire a substantial portion (although not all) of the Selling Debtors' assets for \$8 million (the "Flying A Sale Assets"). In cooperation with the Selling Debtors' other Restructuring Advisors and the Selling Debtors' senior management, PPHB assisted in the negotiation of a definitive asset purchase agreement with Flying A, including provisions for Flying A to serve as a stalking horse bidder.

14. On March 20, 2025, PPHB formally launched a renewed marketing process to solicit interest from other potential buyers with updated marketing materials, including a revised teaser and an updated asset list that included details on the Flying A Sale Assets.

15. As part of this process, and based on feedback received from the market during the Initial Marketing Period, PPHB reached out to approximately 42 prospective buyers, consisting primarily of strategic acquirers in the pressure pumping space and asset liquidators with a past history of acquiring assets in sales conducted pursuant to the Bankruptcy Code.

16. Prior to, during, and subsequent to negotiations with Flying A, PPHB solicited bids for the Assets, including the Flying A Sale Assets, setting a preliminary deadline of April 3, 2024, by which bidders were required to submit initial indications of interest. The Selling Debtors received 6 initial indications of interest and provided those bidders with access to a more comprehensive diligence materials, including, in some instances, on site inspections of various portions of the Assets. The six interested potential bidders expressed interest and were granted access to a virtual data room and were invited to conduct further diligence on the Flying A Assets. Of those six interested parties, one party—Nations Capital—submitted a bid that was determined to be a Qualified Bid under the Amended Bid Procedures.²

THE AUCTION AND DESIGNATION OF FLYING A AS SUCCESSFUL BIDDER

17. On April 7, 2024, the Selling Debtors conducted an auction pursuant to and in conformance with the Amended Bidding Procedures (the “Auction”). At the Auction, Flying A and Nations Capital each participated in successive rounds of bidding, and at the conclusion of the Auction, Flying A was declared the successful bidder. Nations Capital was designated as the backup bidder pursuant to the Amended Bidding Procedures.

18. I understand that Flying A and the Selling Debtors subsequently executed an asset purchase agreement (the “Flying A APA”) memorializing the terms of Flying A’s successful bid at the Auction with a final cash purchase price of \$9.91 million for the Flying A Sale Assets.

² On May 29, 2024, the Selling Debtors filed the Sale Motion. June 27, 2024, the Court entered its *Order Approving (I)(A) Bidding Procedures, and (B) Assumption and Assignment Procedures; (II) Sale of Certain of the Debtors’ Assets Free and Clear of Liens, Claims, Interests, and Encumbrances; (III) Procedures for De Minimis Asset Sales; and (IV) Related Relief* [Docket No. 174] (the “Initial Order”).

On September 25, 2024, the Court entered its *Order Approving Amended Bidding Procedures and Granting Related Relief* [Docket No. 295] (together with the Initial Order, the “Bidding Procedures Order”) with the Amended Bidding Procedures (the “Amended Bidding Procedures”) attached as Exhibit 1 thereto.

19. In my opinion, the Selling Debtors and Flying A, acted in good faith, in a non-collusive manner, and in accordance with the Amended Bidding Procedures, the Bidding Procedures Order, and the rules announced at the Auction, which resulted in the highest and best value for the Selling Debtors' Flying A Sale Assets and their estates. In my view, the consideration provided by Flying A for the Flying A Sale Assets constitutes fair and reasonable consideration to the Selling Debtors for the sale of such Flying A Sale Assets, and the performance of the other covenants in the Flying A APA provides a greater recovery for the Selling Debtors' estates and creditors than would be provided by any other available alternative. Finally, the Flying A APA was negotiated, proposed, and entered into by the Selling Debtors and Flying A without collusion and in good faith, and resulted from arm's-length bargaining positions.

20. Accordingly, I believe that the Flying A APA represents the highest and best offer available for the Flying A Sale Assets after the reasonable and thorough marketing and auction process conducted by PPHB, the Selling Debtors, and the other Restructuring Advisors. I believe that, as a sound matter of business judgment, consummation of the transaction with Flying A will maximize the value of the Selling Debtors' Assets and will provide the best possible result and recovery for the Selling Debtors' estates and their creditors.

21. Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: April 16, 2025
Houston, Texas

/s/ Raymond L. Brown
Raymond L. Brown Jr.