

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

In re:	§	Case No. 26-90338 (CML)
	§	
AXIP ENERGY SERVICES, LP, et al.,	§	(Chapter 11)
	§	
Debtors.¹	§	(Jointly Administered)
	§	

DECLARATION OF ROBERT A. PACHA IN SUPPORT OF SALES

I, Robert A. Pacha, pursuant to 28 U.S.C. § 1746, declare under penalty of perjury that:

1. I am a Senior Managing Director at Evercore Group L.L.C. (“*Evercore*”).
2. Evercore has its principal office located at 55 East 52nd Street, New York, New York 10055.
3. I am authorized on behalf of Evercore to submit this supplemental declaration (the “*Declaration*”) in support of the Sale Transaction, as that term is defined in the proposed *Order (I) Approving (A) the Sale of the Debtors’ Assets Free and Clear of All Liens, Claims, Interests, and Encumbrances and (B) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (II) Granting Related Relief*, to be filed contemporaneously herewith, as well as the Castex Sale and IP Sale Transaction, as each of those terms is defined in the *Notice of Sale*, to be filed, with reference to the *Declaration of Robert A. Pacha in Support of the Debtors’ (I) Emergency Motion to Obtain Debtor-In-Possession Financing and (II) Motion to Approve Bidding Procedures and Sale* [Docket No. 18] (the “*Pacha First Day Declaration*”).²

¹ The Debtors in these Chapter 11 Cases and the last four digits of their respective federal tax identification numbers are: Axip Energy Services, LP (9220); Axip Energy Services Management, LLC (9986); Axip Holdings, LLC (6302); Axip Leasing Company, LLC (5678); Axip Producer Services - Marcellus I, LLC (3312); Axip Producer Services, LLC (4792); and E3 Compression Holdings LLC (0825). The location of the Debtors’ corporate headquarters is: 1221 McKinney, Suite 3175, Houston, Texas 77010.

² Defined terms used but not defined herein shall have the meaning ascribed to them in the Pacha First Day Declaration or Bidding Procedures, as that term is defined herein, as applicable.

4. Evercore is the proposed investment banker for the debtors and debtors-in-possession (collectively, the “*Debtors*”) in the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”). Relevant background related to the Debtors, Evercore’s engagement, my experience and expertise, and these Chapter 11 Cases is described more fully in the Pacha First Day Declaration, which is incorporated by reference as if fully set forth herein.

5. All facts and opinions set forth herein are based upon: (a) my personal knowledge of the Debtors’ operations, finances and restructuring initiatives; (b) information I learned from my review of relevant documents; (c) information supplied to me by the Company’s management and its other third-party advisors and/or employees of Evercore working directly with me or under my supervision, direction, or control on this matter; and/or (d) my experience, education, knowledge, and training concerning financial restructurings and capital-raising activities generally.

BACKGROUND

6. As described in further detail in the Pacha First Day Declaration, the Debtors, with the assistance of Evercore and the Debtors’ other advisors, engaged in a months-long, robust Sale Process designed to achieve a value-maximizing going-concern transaction. At the conclusion of the prepetition process, it was clear that Service Compression, LLC (“*SC*”) had the highest and best bid, but the bid could not be implemented out of court. Accordingly, prepetition, the Debtors determined to select SC as the stalking horse bidder in the Sale Process and conduct a postpetition market check of the Sale Process through these Chapter 11 Cases.

7. On February 23, 2026, the Debtors filed the *Emergency Motion of Debtors for Entry of Orders (A) Approving (I) Bidding Procedures, (II) Form and Manner of Notice of Sale, Auction, and Sale Hearing, and (III) Assumption and Assignment Procedures; (B) Designating Stalking Horse Bidder; (C) Scheduling Auction, Sale Hearing, and Related Deadlines; (D) Approving*

*(I) Sale of Substantially all of Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, and (II) Assumption and Assignment of Executory Contracts and Unexpired Leases; and (E) Granting Related Relief [Docket No. 20] (the "**Bidding Procedures Motion**").*

8. On March 5, 2026, the Court entered the *Order (A) Approving (I) Bidding Procedures, (II) Form and Manner of Notice of Sale, Auction, and Sale Hearing, and (III) Assumption and Assignment Procedures; (B) Designating Stalking Horse Bidder and Authorizing Debtors to Provide Bid Protections; (C) Scheduling Auction, Sale Hearing, and Related Deadlines; (D) Approving (I) Sale of Substantially all of Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, and (II) Assumption and Assignment of Executory Contracts and Unexpired Leases; and (E) Granting Related Relief [Docket No. 135] (the "**Bidding Procedures Order**").*

THE SALE PROCESS

9. In the weeks since the entry of the Bidding Procedures Order, the Debtors, Evercore, Vinson & Elkins, LLP as restructuring counsel, and Ankura Consulting LLC as restructuring advisor (collectively with Evercore and Vinson & Elkins, LLP, the "**Advisors**") have worked extensively to continue to market the Debtors' Assets and solicit Bids, in accordance with and as that term is defined in the bidding procedures attached as **Exhibit 1** to the Bidding Procedures Order (the "**Bidding Procedures**").

10. Inclusive of Evercore's efforts both prior to and following entry of the Bidding Procedures Order, Evercore has reached out to 63 potential bidders, executed 32 confidentiality agreements, and engaged in meaningful conversations with approximately 40 interested parties.

11. Throughout the Sale Process, the Debtors kept the Consultation Parties and other key parties apprised of the progress being made to market the Assets for sale, as contemplated by

the Bidding Procedures. Further, the Debtors actively followed up with potential bidders and timely responded to requests for further information in order to encourage interested parties to submit a Bid and ensure all parties interested in submitting a Bid had the ability to do so prior to the Bid Deadline.

12. The Debtors received five Bids on or before the Bid Deadline. Three of the Bids (the “*Partial Bids*”) were partial asset Bids for certain compressor units which represent less than 2% of the Debtors’ total compressor units contemplated to be purchased by SC under the Stalking Horse Agreement.

13. The Debtors also received two Bids for assets that are excluded from the Stalking Horse Agreement. The Debtors received a Bid for certain intellectual property assets (the “*IP Assets*”) from the Debtors’ Chief Executive Officer, Robert Stiles. Finally, in connection with the prepetition sales and marketing process, the Debtors received a proposal for the purchase of a compressor unit (the “*Castex Compressor*”) from a current customer, Castex Energy, Inc. The Debtors did not receive any other Bids for either the IP Assets or the Castex Compressor.

14. Based on my involvement in the Sale Process and professional experience in prior matters, I believe the Bidding Procedures provided the Debtors with a reasonable amount of time and flexibility to conduct a sufficient market check of the Stalking Horse Agreement to ensure that the maximum value attainable was achieved for the benefit of all stakeholders. The Bidding Procedures provided all creditors, contract counterparties, potential bidders, and other parties in interest with ample time, notice, and ability to conduct necessary diligence, submit Bids, evaluate the Stalking Horse Agreement, raise formal and informal objections, or otherwise engage with the Debtors and their Advisors as applicable.

SELECTION OF THE WINNING BIDDER

15. After careful consideration and in consultation with Evercore, the Debtors' other Advisors, and the Consultation Parties and in accordance with the Bidding Procedures, the Debtors concluded that the Partial Bids did not constitute Qualified Bids.

16. The Bidding Procedures provide the Debtors with broad authority to consider, in determining whether a Bid constitutes a Qualified Bid, various factors, including the assets and liabilities included or excluded by the Bid and the value to be provided to the Debtors under the Bid, including the net economic effect on the Debtors' estates. The Partial Bids were for overlapping asset categories and could not be combined to form a viable, value-maximizing alternative to the Stalking Horse Bid that could form the basis for a competitive auction. Further, it is my understanding that SC is not willing to remove the Assets contained in the Partial Bids from the transaction contemplated by the Stalking Horse Agreement. The inability to meaningfully combine bids or selectively remove these Assets from the Stalking Horse Bid rendered the Partial Bids inactionable and an Auction for these Assets, therefore, was unlikely to provide any benefit to the Debtors' estates.

17. Consistent with the Debtors' determination that SC was the only Qualified Bid for the Acquired Assets, as that term is defined in the Stalking Horse Agreement, Peter Laurinaitis, in his capacity as the independent member of E3 Compression Holdings LLC (the "***Independent Member***") and in consultation with the Consultation Parties and Advisors (including myself), decided to cancel the Auction after determining that the Partial Bids did not constitute Qualified Bids.

18. Under the circumstances, the Stalking Horse Bid is the value-maximizing transaction with respect to the Assets to be acquired under the Stalking Horse Agreement, as the

Debtors did not receive any other Qualified Bid for these assets. Consummation of the Stalking Horse Transaction would benefit the Debtors' estates because it contemplates a sale of a significant portion of the Debtors' Assets as well as the assignment of certain liabilities and preserves value, jobs, and contractual benefits for counterparties and creditors who would otherwise likely recover little or no value from the Debtors' estates. SC has indicated that it is willing and able to consummate the Sale Transaction on the terms set forth in the Stalking Horse Agreement and is actively working with the Debtors, the Debtors' Advisors, and other key constituencies toward that goal, with the aim of achieving a smooth transition. It is also my understanding that the Consultation Parties are supportive of the Sale Transaction.

19. Further, I believe, under the circumstances, the Bids received by the Debtors for the Castex Compressor and IP Assets are the best (and only) transactions available with respect to those assets. These assets were marketed in connection with the broader sale process. They are not contemplated to be Acquired Assets under the Stalking Horse Agreement, and no other party submitted a Bid for these assets. Therefore, it is unlikely the Debtors would be able to attain a higher value for them. Based in part on the limited funds available to the Debtors, it is in the best interest of the estates to consummate the Castex Sale and IP Sale Transaction, as they represent the value-maximizing path with respect to the Castex Compressor and IP Assets. Consummating these transactions will allow the Debtors to work toward an efficient winddown of the remaining assets in the Debtors' estates.

20. Given the foregoing, I believe the Sale Transaction contemplated by the Stalking Horse Agreement, Castex Sale and IP Sale Transaction, in each case, represents the highest or otherwise best Bid for the applicable Assets under the circumstances.

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

Dated: April 6, 2026

/s/ Robert A. Pacha
Robert A. Pacha
Senior Managing Director
Evercore Group L.L.C.