

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION**

In re)	
)	Chapter 7
)	
Knight Resources, LLC,)	Case No. 17-51280
)	
Debtor.)	
)	
)	

**NOTICE OF (I) PROPOSED SALE OF THE ASSETS OF KNIGHT
RESOURCES, LLC FREE AND CLEAR OF LIENS, CLAIMS,
INTERESTS AND ENCUMBRANCES,
(II) BID PROCEDURES AND (III) AUCTION RELATED THERETO**

1. On April 19, 2018, the Trustee filed with the Court a motion [Docket No. 45] (the “**Sale Motion**”) seeking, among other things: (a) authority to sell certain assets of the Debtor free and clear of all liens, claims, interests and encumbrances (the “**Sale**”); (b) approval of certain procedures (the “**Bid Procedures**”) for the solicitation of bids with respect to the Sale; (c) approval of certain procedures (the “**Assignment Procedures**”) in connection with the identification and assumption of certain contracts and leases in connection with the Sale; and (d) scheduling an auction (the “**Auction**”) and a final hearing with the Court for approval of the Sale (the “**Sale Hearing**”).

2. The Debtor filed that certain form of Asset Purchase Agreement (including all exhibits, schedules and ancillary agreements related thereto, the “**Agreement**”), which contemplates the sale of the Sellers’ assets (the “**Purchased Assets**”), subject to higher and better offers made pursuant to the Bid Procedures.

3. A hearing on the Bid Procedures was held before the Court on May 1, 2018, and thereafter the Court entered an Order, among other things, approving the Bid Procedures [Docket No. [55] (the “**Bid Procedures Order**”). The Bid Procedures Order establishes the Bid Procedures that govern the manner in which the Purchased Assets are to be sold. All bidders must comply with the Bid Procedures and submit a bid so as to be received not later than June 8, 2018 at 5:00 p.m.

5. Pursuant to the Bid Procedures, each Qualified Bidder (as defined in the Bid Procedures) shall be invited to participate in the Auction in open court, which Auction must be attended in person and which shall commence at 9:00 a.m. (prevailing Central Time) on June 12, 2018.

6. The Sale Hearing currently is also scheduled to be conducted upon the conclusion of the June 12, 2018 auction before the Honorable Robert Summerhays, United States Bankruptcy Judge for the Western District of Louisiana, to consider the approval the highest and best offer by

a Qualified Bidder (the “**Successful Bidder**”), the second highest or best offer by a Qualified Bidder (the “**Backup Bidder**”) and of the Agreement (as modified by the Successful Bidder) and seeking entry of an order approving the Sale substantially in the form of the Order attached to the Sale Motion as Exhibit “3” (the “**Sale Order**”). The Sale Hearing may be adjourned or rescheduled from time to time without further notice other than an announcement by the Debtor in the Court of such adjournment on the date scheduled for the Sale Hearing.

7. A copy of the Bid Procedures Order, the Agreement (attached to the Bid Procedures Order as Exhibit “A”) and the Sale Motion (including the proposed Sale Order) may be obtained by sending a written request to counsel to the Trustee, Stewart Robbins & Brown LLC, 301 Main Street, Suite 1640, Baton Rouge, LA 70801 (Attn: Paul Douglas Stewart, Jr., dstewart@stewartrobbins.com).

8. OBJECTIONS TO ENTRY OF THE SALE ORDER (OTHER THAN THE PROPOSED ASSUMPTION AND ASSIGNMENT OF CERTAIN CONTRACTS AND LEASES OR TO ANY PROPOSED CURE PAYMENT LIABILITY AMOUNTS IN CONNECTION THEREWITH), INCLUDING THE TRUSTEE’S REQUEST TO APPROVE THE SALE OF THE PURCHASED ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS TO PURCHASER (AS DEFINED IN THE AGREEMENT) OR ANOTHER SUCCESSFUL BIDDER (EACH, AN “OBJECTION”), MUST BE MADE IN WRITING, FILED AND SERVED SO AS TO BE ACTUALLY RECEIVED ON OR BEFORE JUNE 5, 2018 (THE “OBJECTION DEADLINE”).

9. The Bid Procedures Order approves the Assignment Procedures, which set forth: (i) the manner in which the Debtor will (a) identify the Assumed Contracts and the Assumed Leases (each as defined in the Sale Motion), and (b) identify amounts the Debtor believes are necessary to cure defaults under each of such Assumed Contracts and Assumed Leases as determined by the Debtor; and (ii) procedures to be followed by any party that wishes to object to the proposed assumption and assignment of any Assumed Contract and Assumed Lease, or the cure amounts proposed by the Trustee in respect thereof. An additional notice setting forth the specific Assumed Contracts and Assumed Leases to be assumed by the Trustee and the proposed cure amounts for such contracts will be served upon all counterparties to the Assumed Contracts and Assumed Leases.

10. The failure of any person or entity to file an objection on or before the Objection Deadline shall be deemed a consent to the Sale of the Purchased Assets to the Successful Bidder and the other relief requested in the Sale Motion and be a bar to the assertion, at the Confirmation Hearing or thereafter, of any objection to the Bid Procedures, the Sale Motion, the Auction, the sale of the Purchased Assets, the Debtor’s consummation and performance of the Agreement (or marked-up agreement) with the Successful Bidder (including in any such case, without limitation, the transfer of the Purchased Assets free and clear of all liens, claims, encumbrances and interests).

11. This Notice is subject to the full terms and conditions of the Sale Motion, the Bid Procedures Order and the Bid Procedures, which shall control in the event of any conflict. The Debtor encourages parties in interest to review such documents in their entirety and consult an attorney if they have questions or want advice.

12. The deadlines and events contained in this notice are summarized in the following table:

Proposed Action	Deadline (all times central)
Due Diligence Period End	June 7, 2018
Bid Deadline	June 8, 2018 @ 5:00 p.m.
Executory Contract Cure Schedule Filed	May 29, 2018
Sale Objection Deadline	June 5, 2018
Auction in Open Court (if applicable)	June 12, 2018 @ 9:00 a.m.
Sale Hearing in Open Court	June 12, 2018 @ 9:00 a.m.

Dated: May 10, 2018

Regards,
Doug Stewart

Paul Douglas Stewart, Jr.
dstewart@stewartrobbins.com
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EXHIBIT C – BID PROCEDURES ORDER

ASSIGNMENT NOTICE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION**

In re)	
)	Chapter 7
)	
Knight Resources, LLC,)) Case No. 17-51280
)	
Debtor.)	
)	
)	
)	

**NOTICE OF DEBTOR’S INTENT TO ASSUME AND ASSIGN
CERTAIN CONTRACTS AND LEASES OF KNIGHT RESOURCES, LLC**

PLEASE TAKE NOTICE THAT on April 19, 2018, the Trustee filed with the Court a motion [Docket No. 45] (the “**Motion**”) with the Court seeking, among other things, approval of certain procedures (the “**Assignment Procedures**”) applicable to the identification and assumption of certain contracts (the “**Assumed Contracts**”) and leases (the “**Assumed Leases**”), and assignment thereof, in connection with the Sale by which the Trustee intends to sell certain of its assets.

PLEASE TAKE FURTHER NOTICE THAT on May 9, 2018, the Court entered an order (the “**Order**”) granting the Motion as set forth therein [Docket No. 55] and approving the procedures for the assumption and assignment of the Assumed Contracts and Assumed Leases.

PLEASE TAKE FURTHER NOTICE THAT the Trustee may assume and assign to the Successful Bidder the Assumed Contracts and Assumed Leases listed on Exhibit “1” annexed hereto pursuant to section 365 of the Bankruptcy Code at the hearing that is scheduled to be conducted on June 12, 2018 at 9:00 a.m. (prevailing Central Time) before the Honorable Robert Summerhays, United States Bankruptcy Judge for the Western District of Louisiana.

PLEASE TAKE FURTHER NOTICE THAT the Trustee has set forth on Exhibit “1” hereto (the “**Cure Schedule**”) the amounts due and owing, if any, under the Assumed Contracts and Assumed Leases through the date hereof (the “**Cure Amounts**”). The Bankruptcy Code requires that the Cure Amounts (which include any amounts owing on account of the Debtor’s obligations under the Assumed Contracts and Assumed Leases as of the date of assumption) be paid in full to the parties owed such amounts upon the Trustee’s assumption of the Assumed Contracts and Assumed Leases.

PLEASE TAKE FURTHER NOTICE THAT ANY PARTY SEEKING TO ASSERT AN OBJECTION TO THE ASSUMPTION BY THE TRUSTEE AND ASSIGNMENT TO PURCHASER OF ANY CONTRACT OR LEASE, INCLUDING AS TO THE VALIDITY OF ANY CURE AMOUNT AS DETERMINED BY THE DEBTOR OR TO OTHERWISE ASSERT THAT ANY OTHER AMOUNTS, DEFAULTS, CONDITIONS OR PECUNIARY LOSSES MUST BE CURED OR SATISFIED UNDER THE ASSUMED CONTRACTS AND ASSUMED LEASES (NOT INCLUDING ACCRUED BUT NOT YET DUE OBLIGATIONS) MUST FILE AND SERVE ITS OBJECTION (ANY SUCH OBJECTION, AN “ASSUMPTION OBJECTION”) SETTING FORTH WITH SPECIFICITY ANY AND ALL CURE OBLIGATIONS OR OTHER CONDITIONS WHICH SUCH PARTY ASSERTS MUST BE CURED OR SATISFIED WITH RESPECT TO SUCH CONTRACT, LEASE OR INTELLECTUAL PROPERTY RIGHT MUST BE MADE IN WRITING, FILED AND SERVED SO AS TO BE ACTUALLY RECEIVED ON OR BEFORE JUNE 5, 2018 (THE “OBJECTION DEADLINE”).

PLEASE TAKE FURTHER NOTICE THAT Assumption Objections must set forth the cure amount or other obligation the objecting party asserts is due, the specific types and dates of the alleged defaults, pecuniary losses and conditions to assignment and the support therefor, if any.

PLEASE TAKE FURTHER NOTICE THAT if, as to any Assumed Contract, or Assumed Lease, no Assumption Objection is received by the Objection Deadline, such Assumed Contract or Assumed Lease shall be deemed assumed by the Debtor and assigned to Successful Bidder without further order of the Court, effective as of the later of (i) the Objection Deadline, (ii) the payment of the applicable Cure Amount, if any, set forth in Exhibit “1” hereto or (iii) the date specified in the Agreement. If an Assumption Objection is received by the Objection Deadline and the Trustee and/or the Successful Bidder are unable to resolve such objection consensually, the proposed assumption and assignment which is the subject of such Assumption Objection shall be subject to further order of the Court and the Debtor and/or the Successful Bidder shall promptly schedule a hearing to consider such Assumption Objection.

PLEASE TAKE FURTHER NOTICE THAT hearings with respect to Assumption Objections shall be held on such date as the Court may designate.

PLEASE TAKE FURTHER NOTICE THAT the Trustee may, from time to time, modify the Cure Schedule to add or remove a contract or lease counterparty or to modify the proposed Cure Amount with respect to any counterparty. The non-trustee counterparty to any such contract or lease will be provided separate written notice of any such modification and at least fourteen (14) days advance notice of its deadline to object to such modification, and the Trustee will seek to set any such objection for hearing before the Court as promptly as is reasonably possible.

PLEASE TAKE FURTHER NOTICE THAT IF YOU AGREE WITH THE CURE AMOUNTS SET FORTH ON EXHIBIT “1” AND DO NOT OTHERWISE OBJECT TO THE DEBTOR’S ASSUMPTION AND ASSIGNMENT OF YOUR CONTRACT OR LEASE YOU NEED NOT TAKE ANY FURTHER ACTION.

PLEASE TAKE FURTHER NOTICE THAT a complete copy of the pleadings and orders described in this motion may be obtained by sending a written request to counsel to the Trustee, below.

Dated: May 10, 2018

Paul Douglas Stewart, Jr.
Stewart Robbins & Brown LLC
301 Main Street, Suite 1640
Baton Rouge, LA 70801
Email: dstewart@stewartrobbins.com
main 225.231.9998
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**EXHIBIT 1
TO NOTICE OF DEBTOR'S INTENT
TO ASSUME AND ASSIGN
CERTAIN CONTRACTS AND LEASES**

Description of Contract	Cure Amount	Counterparties
<p>Any and all executory contracts relating to Ship Shoal 253 – OCS – G- 1529, Ship Shoal Block 252 #F4, Federal Offshore lease OCS-G 1529, as to Operating Rights Covering the NE/4 and N/2SE/4 of Block 252, Ship Shoal Areas, South Addition, from 11,934’ TVD down to 13,513 TVD; including without limitation the following:</p> <ul style="list-style-type: none"> (i) Participation Agreement dated March 30, 2009 between Helis Oil & Gas Company, L.L.C. , et al and Challenger Minerals Inc. (10%), et al. (ii) Farmout Agreement dated February 15, 2009 between SPN Resources LLC and Moreno Offshore Resources, L.L.C., Farmors, and Houston Energy, L.P., Farmee (iii) Production Handling Agreement dated August 1, 2009 between SPN Resources, LLC and Moreno Offshore Resources, L.L.C., Platform Owners, and Helis Oil & Gas Company, L.L.C., et al, Producers. (iv) Offshore Operating Agreement dated March 30 2009 between Helis Oil & Gas Company, L.L.C., Operator, and Houston Energy, LP, et al, Non-operators (v) Memorandum of Offshore Operating Agreement and Financing Agreements dated March 30, 2009 between Helis Oil & Gas Company, L.L.C. et al. (vi) Division Order dated October 1, 2009 (vii) Assignment of Operating Rights Interest from Houston Energy, LP into Challenger Minerals Inc. (10%) for Ship Shoal Block 252. (viii) Ship Shoal 252 Marketing Election Letter dated March 30, 2010 (Helis Oil & Gas Company, L.L.C.) 	<p>\$55,380.63</p>	<p>Fieldwood Energy Offshore LLC</p>