

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

SECURITIES AND EXCHANGE	§	
COMMISSION,	§	
Plaintiff,	§	
	§	
v.	§	Case No.: 3:16-cv-01735-D
	§	
CHRISTOPHER A. FAULKNER, <i>et al.</i> ,	§	
Defendants.	§	

**RECEIVER’S MOTION FOR ENTRY OF ORDER  
CONFIRMING SALE OF REAL PROPERTY**

Thomas L. Taylor III, temporary receiver appointed in the above-styled civil action (“Receiver”), respectfully files this motion (“Confirmation Motion”) for entry of an order confirming the sale of certain real property Receivership Assets<sup>1</sup> through a sealed bid auction conducted by EnergyNet.com, LLC (“EnergyNet”) pursuant to this Court’s previously entered Order (1) Granting Receiver Authority to Sell Oil and Gas Interests; (2) Approving Engagement of Sales and Marketing Firm; and (3) Approving Sales Procedures [ECF No. 463] (“Sales Order”).

By the present Confirmation Motion, Receiver seeks confirmation of the sale -- free and clear of all liens, claims and encumbrances -- of Receivership Assets to Elm Creek Energy, LLC and John & Theresa Hillman Family Properties, LP (“Buyer”) for the purchase price of \$2,500,000. These assets consist of various royalty and overriding royalty interests located in multiple counties<sup>2</sup> in Louisiana, Mississippi, Oklahoma, Texas, West Virginia, and Wyoming (“Assets”), as more fully described in **Exhibit E** (App 026 – 027.)

<sup>1</sup> As that term is defined in the Third Amended Order Appointing Receiver. ECF No. 496 p. 1.

<sup>2</sup> Use of the term “county” includes parishes in Louisiana, where applicable.

Ten percent of the purchase price has been paid by Buyer and is held by EnergyNet in escrow pending entry of a confirmation order by this Court. The Receiver and Buyer also have executed an “Agreement of Sale” with respect to the Assets. **Exhibit C** (App 008 – 009.)

Through the filing of this Confirmation Motion with the Court’s CM/ECF system, the Receiver has served notice of this Confirmation Motion upon all parties to the above-styled enforcement action. The Receiver is not aware of any non-parties with potential or purported interests in the Assets as of the filing of this Confirmation Motion. Any person seeking to oppose the confirmation of the sale detailed herein must file such opposition with the Court within twenty-one (21) days of the filing of this Confirmation Motion. Sales Order ¶8.

The Receiver has discussed this Confirmation Motion with counsel for Plaintiff Securities and Exchange Commission (the “Commission”), who do not oppose the relief sought herein.

*A. Marketing and Sale of Receivership Estate Oil and Gas Interests Pursuant to 28 U.S.C. §§ 2001 and 2002 as Modified by the Sales Order*

This Court entered the Sales Order on July 26, 2019, adopting the sales procedures proposed by the Receiver. Pursuant to the Sales Order, the Receiver and EnergyNet executed the Sellers Agreement for the Sale of Oil and Gas Properties [ECF No. 438-1] (the “Sellers Agreement”). **Exhibit A**, Declaration of Thomas L. Taylor III (“Taylor Decl.”) ¶2 (App 002.) Pursuant to the Sellers Agreement, EnergyNet is assisting the Receiver in the marketing and sale of the oil and gas interests owned by the Receivership Estate, including the sale of the Assets which, through this Confirmation Motion, the Receiver seeks to confirm. *Id.*

B. *Marketing and Sale of the Assets*

On or about July 26, 2019 the Receiver posted the Sales Order on the Receivership Estate website (www.breitlingreceivership.com), which will remain displayed on the Receivership Estate website through the final sale of oil and gas Receivership Assets. Taylor Decl. ¶2 (App 002.)

The preparation of the online “data room” for the Assets (Lot 79340) was completed and opened to the public on or about September 14, 2021. Taylor Decl. ¶4 (App 003.) Notice related to the sale of Lot 79340 was displayed on the Receivership Estate website upon the opening of the EnergyNet Assets “data room.” *Id.* ¶2 (App 002 – 003.) EnergyNet engaged in marketing efforts with respect to this auction as directed in paragraph 6(2) of the Sales Order. In this regard, EnergyNet marketed this asset to their bidder base of over 35,000 registered bidders including direct calls to key decision makers, targeted emails, mass email campaigns, and auto generated emails based on buyers’ unique pre-selected preferences. **Exhibit B**, Declaration of Cody Felton (“Felton Decl.”) ¶2 (App 005); *see also, e.g., Exhibit D* (App 011 – 024.) A total of 320 unique EnergyNet users visited the Assets “data room” on 803 occasions. Taylor Decl. ¶3 (App 003.) Over 600 views and over 200 unique user views would be considered a high level of activity for this asset. Felton Decl. ¶2 (App 005 – 006.)

The auction bid window closed on October 5, 2021. Taylor Decl. ¶3 (App 003.) Nine bidders submitted sealed bids for the Assets. *Id.* At the close of the auction period, the highest bid received was for \$2,300,000. *Id.* Many of the submitted bids were at lower values and were from qualified and oftentimes successful bidders. Accordingly, the final sales price for the Assets achieved market or above-market value. Felton Decl. ¶3 (App 006.) The Receiver authorized EnergyNet personnel to continue to negotiate the sale price with auction participants, and ultimately secured an offer for \$2,500,000 from Buyer, which offer was accepted by the Receiver.

Taylor Decl. ¶3 (App 003.) This purchase price represents over 42 months of the monthly average net income for the Assets, an amount consistent with the average lot listed on EnergyNet with similar attributes. Felton Decl. ¶4 (App 006.)

The Receiver, through EnergyNet, achieved the sale of the Assets in conformity with the Sales Order, which sold for market or above-market value. The Receiver requests that the Court confirm the sale of the Assets -- free and clear of all liens, claims and encumbrances -- to Buyer for the purchase price of \$2,500,000.

### **CONCLUSION AND REQUESTED RELIEF**

The Receiver respectfully requests that the Court grant this Motion and confirm the sale of the Assets to Elm Creek Energy, LLC and John & Theresa Hillman Family Properties, LP for the purchase price of \$2,500,000. The Receiver submits the Declarations and the Exhibits attached hereto demonstrating the manner in which the sale of the Assets was carried out pursuant to the Sales Order entered by this Court.

Dated: October 14, 2021

Respectfully submitted,

THE TAYLOR LAW OFFICES, PC

Thomas L. Taylor III, Receiver  
Texas Bar: 19733700  
*taylor@tltaylorlaw.com*

245 West 18th Street  
Houston, Texas 77008  
Tel: 713.626.5300  
Fax: 713.402.6154

GOFORTH LAW, PLLC

By: /s/ Andrew M. Goforth

Andrew M. Goforth  
Texas State Bar: 24076405  
*andrew@goforth.law*

11151 Westheimer Road # 1121  
Houston, Texas 77042  
Tel: (713) 464-2263  
Fax: (713) 583-1762

COUNSEL FOR RECEIVER

**CERTIFICATE OF CONFERENCE**

I certify that I conferred with the Staff of the Commission with respect to the foregoing document, and they are not opposed to the relief sought herein.

/s/ Andrew M. Goforth  
Andrew M. Goforth

**CERTIFICATE OF SERVICE**

I certify that on October 14, 2021 I served the foregoing document pursuant to FED. R. CIV. P. 5(b)(2)(E) by filing it through the Court's CM/ECF filing system.

/s/ Andrew M. Goforth  
Andrew M. Goforth