IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

----------	x	Chapter 11
In re:	:	Case No. 17-10064 (KG)
Chieftain Sand and Proppant, LLC., *et al.*,	:	Jointly Administered
Debtors.[1]	:	
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DEBTORS' COMBINED PLAN AND DISCLOSURE STATEMENT FOR CHIEFTAIN SAND AND PROPPANT, LLC AND CHIEFTAIN SAND AND PROPPANT BARRON, LLC

Dated: July 6, 2017

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[1] The Debtors in these chapter 11 cases, and the last four digits of their respective federal tax identification numbers, are Chieftain Sand and Proppant, LLC (1729) and Chieftain Sand and Proppant Barron, LLC (0418). The Debtors' service address is: 331 27th Street, New Auburn, WI 54757.

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NOTICE

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS COMBINED PLAN AND DISCLOSURE STATEMENT. THIS COMBINED PLAN AND DISCLOSURE STATEMENT WAS SUBSTANTIALLY COMPILED FROM THE DEBTORS' BOOKS AND RECORDS TO THE BEST OF THE DEBTORS' KNOWLEDGE, INFORMATION AND BELIEF.

UNLESS ANOTHER TIME IS SPECIFIED, THE STATEMENTS CONTAINED HEREIN ARE MADE AS OF THE DATE HEREOF. THE DELIVERY OF THIS COMBINED PLAN AND DISCLOSURE STATEMENT SHALL NOT BE DEEMED OR CONSTRUED TO CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS COMBINED PLAN AND DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(c) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER RULES GOVERNING DISCLOSURE OUTSIDE THE CONTEXT OF CHAPTER 11 OF THE BANKRUPTCY CODE. NO GOVERNMENTAL AUTHORITY HAS PASSED ON, CONFIRMED OR DETERMINED THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.

THIS COMBINED PLAN AND DISCLOSURE STATEMENT PROVIDES FOR THE SUBSTANTIVE CONSOLIDATION OF THE ASSETS AND LIABILITIES OF THE DEBTORS FOR CERTAIN PURPOSES AND CONTEMPLATES THE APPOINTMENT OF A PLAN ADMINISTRATOR TO WIND-DOWN THE DEBTORS' ESTATES.

NO REPRESENTATION CONCERNING THE DEBTORS OR THE VALUE OF THE DEBTORS' ASSETS HAS BEEN AUTHORIZED BY THE BANKRUPTCY COURT OTHER THAN AS SET FORTH IN THIS COMBINED PLAN AND DISCLOSURE STATEMENT OR ANY OTHER DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT. THE DEBTORS ARE NOT RESPONSIBLE FOR ANY INFORMATION, REPRESENTATION OR INDUCEMENT MADE TO OBTAIN YOUR ACCEPTANCE, WHICH IS OTHER THAN OR INCONSISTENT WITH INFORMATION CONTAINED HEREIN.

NOTHING STATED HEREIN SHALL BE DEEMED OR CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE COMBINED PLAN AND DISCLOSURE STATEMENT ON THE DEBTORS OR HOLDERS OF CLAIMS OR INTERESTS. CERTAIN STATEMENTS CONTAINED HEREIN, BY NATURE, ARE FORWARD LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL REFLECT ACTUAL OUTCOMES.

EACH HOLDER OF A CLAIM OR EQUITY INTEREST SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS COMBINED PLAN AND DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN GREATER DETAIL HEREIN. HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THIS COMBINED PLAN AND DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. THEREFORE, EACH SUCH HOLDER SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY SUCH MATTERS CONCERNING THE COMBINED PLAN AND DISCLOSURE STATEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY.

FOR EASE OF REFERENCE ONLY, AND WITH CERTAIN EXCEPTIONS, ARTICLES I, II AND III HEREIN GENERALLY CONTAIN THE DISCLOSURE STATEMENT PROVISIONS AND ARTICLES IV THROUGH XIV HEREIN GENERALLY CONTAIN THE PLAN PROVISIONS OF THE COMBINED PLAN AND DISCLOSURE STATEMENT.

INTRODUCTION

The Debtors propose a joint plan of liquidation for the resolution of all outstanding Claims against and Equity Interests in the Debtors as of the Petition Date. Capitalized terms used and not otherwise defined herein have the meanings ascribed to such terms in Article I.B hereof.

The Combined Plan and Disclosure Statement constitutes a liquidating Chapter 11 plan for the Debtors and provides for Distribution of the Debtors' assets already liquidated or to be liquidated over time to Holders of Allowed Claims in accordance with the terms of the Combined Plan and Disclosure Statement and the priority provisions of the Bankruptcy Code. The Combined Plan and Disclosure Statement contemplate the appointment of a Plan Administrator, *inter alia*, to implement the terms of the Combined Plan and Disclosure Statement and make distributions in accordance therewith. Except as otherwise provided by Order of the Bankruptcy Court, Distributions will likely occur at various intervals after the Effective Date.

The Combined Plan and Disclosure Statement provide for limited substantive consolidation of the assets and liabilities of the Debtors. Accordingly, for Plan purposes only, the assets and liabilities of the Debtors are deemed the assets and liabilities of a single administratively consolidated entity. Claims filed against both Debtors seeking recovery of the same debt shall be treated as a single, non-aggregated Claim against the consolidated Estates to the extent that such Claim is an Allowed Claim.

The Debtors are proponents of the plan contained herein within the meaning of section 1129 of the Bankruptcy Code.

Subject to the restrictions on modifications set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 9019, the Debtors expressly reserve the right to alter, amend or modify the Combined Plan and Disclosure Statement one or more times before substantial consummation thereof.

ARTICLE I.

DEFINED TERMS AND RULES OF INTERPRETATION

A. Rules of Interpretation and Construction

1. For purposes herein: (i) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine, and the neuter gender; (ii) any reference herein to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (iii) any reference to an existing document or exhibit having been filed or to be filed shall mean that document or exhibit, as it may thereafter be amended, modified, or supplemented; (iv) unless otherwise specified, all references to "Articles" or "Sections" are references to Articles or Sections hereof; (v) the words ''herein,'' "hereof" and ''hereto'' refer to the Combined Plan and Disclosure Statement in its entirety rather than to a particular portion of the Combined Plan and Disclosure Statement; (vi) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (vii) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (viii) any term used in capitalized form herein that is not otherwise defined shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

2. The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed hereby.

B. Defined Terms

Unless the context otherwise requires, the following capitalized terms used in this Combined Plan and Disclosure Statement shall have the meanings set forth below:

1. "Accrued Professional Compensation" means, at any date, all accrued fees and reimbursable expenses for services rendered by Retained Professionals in the Chapter 11 Cases through and including such date, to the extent that such fees and expenses have not been previously paid and regardless of whether a fee application has been filed for such fees and expenses. To the extent that there is a Final Order denying some or all of a Retained Professional's fees or expenses, such denied amounts shall no longer be considered Accrued Professional Compensation.

2. "Administrative Expense Claim" means a Claim for costs and expenses of administration under sections 503(b), 507(a), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after each Debtor's respective Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors, (b) Professional Fee Claims (to the extent Allowed by the Bankruptcy Court), and (c) Statutory Fee Claims.

3. "Affiliate" means, with respect to any Entity, "affiliate" as defined in section 101(2) of the Bankruptcy Code.

4. "Allowed" means, with reference to any Claim (i) any Claim against the Debtors which has been listed by the Debtors in their Schedules, as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary proof of claim has been filed; (ii) any Claim or Equity Interest arising on or before the Effective Date for which a Proof of Claim has been timely Filed before the applicable Bar Date (x) as to which no objection to allowance has been interposed or (y) as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective Holder, (iii) any Claim or Equity Interest as to which the liability of the Debtors and the amount thereof are determined by a Final Order of a court of competent jurisdiction other than the Bankruptcy Court and for which a Proof of Claim has been timely Filed before the applicable Bar Date, or (iv) any Claim expressly Allowed hereunder or pursuant to an Order of the Bankruptcy Court; provided, however, that Claims allowed solely for the purpose of voting to accept or reject the Combined Plan and Disclosure Statement pursuant to an Order of the Bankruptcy Court shall not be considered "Allowed Claims" hereunder. Unless otherwise specified herein or by order of the Bankruptcy Court, "Allowed Administrative Expense Claim" or "Allowed Claim" shall not, for any purpose under the Combined Plan and Disclosure Statement, include interest, punitive damages or any fine or penalty on such Administrative Expense Claim or Allowed Claim from and after the Petition Date. Unless otherwise provided in an Order of the Bankruptcy Court, for purposes of determining the amount of an Allowed Claim, there shall be deducted therefrom an amount equal to the amount of any claim which the Debtors may hold or assert against the Holder thereof, to the extent such claim may be set off pursuant to sections 502(d) or 553 of the Bankruptcy Code.

5. "Amended Schedules Bar Date" means the later of (a) the General Bar Date and (b) 5:00 p.m. (prevailing Eastern Time) on the date that is 21 days after the Debtors or Plan Administrator provides notice to the Holder of an amendment to the Debtors' Amended Schedules of Assets and Liabilities.

6. "Avoidance Actions" means any and all actual or potential Claims and Causes of Action to avoid a transfer of property or an obligation incurred by the Debtors pursuant to any applicable section of the Bankruptcy Code, including sections 502, 510, 542, 544, 545, 547 through 553, and 724(a) of the Bankruptcy Code or under similar or related state or federal statutes and common law, including fraudulent transfer laws, whether or not litigation has been commenced as of the Effective Date to prosecute such Claims or Causes of Action.

7. "Ballot" means the ballot forms distributed with the Combined Plan and Disclosure Statement to Holders of Impaired Claims entitled to vote in connection with the solicitation of acceptances of the Combined Plan and Disclosure Statement.

8. "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532.

9. "Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware having jurisdiction over these Chapter 11 Cases.

10. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

11. "Bar Date Order" means the *Order Establishing Bar Dates and Procedures and Approving the Form and Manner of Notice Thereof* entered in the Chapter 11 Cases by the Bankruptcy Court on February 3, 2017 [Docket No. 114].

12. "Bar Dates" means those dates and times defined as the Bar Dates in Article II.C.7(c) hereof or in the Bar Date Order.

13. "Books and Records" means those books, records and financial systems of the Debtors, including any and all documents and any and all computer generated or computer maintained books and records and computer data, as well as electronically generated or maintained books and records or data, along with books and records of the Debtors maintained by or in the possession of third parties, wherever located.

14. "Business Day" means any day, other than a Saturday, Sunday or "legal holiday" (as that term is defined in Bankruptcy Rule 9006(a)), which commercial banks in Wilmington, Delaware are required or authorized to close by law or executive order, and the Friday after Thanksgiving.

15. "Cash" means the legal tender of the United States of America or the equivalent thereof.

16. "Causes of Action" means all actions, causes of action (including Avoidance Actions), liabilities, obligations, rights, suits, debts, damages, judgments, remedies, demands, setoffs, defenses, recoupments, cross-claims, counterclaims, third-party claims, indemnity claims, contribution claims or any other claims whatsoever, in each case held by the Debtors, whether disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date, or during the course of the Chapter 11 Cases through the Effective Date.

17. "Certificate" means any instrument evidencing a Claim or an Equity Interest.

18. "Chapter 11 Cases" means (a) when used with reference to a particular Debtor, the Chapter 11 case filed for that Debtor under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court and (b) when used with reference to both Debtors, the jointly administered Chapter 11 Cases for both Debtors.

19. "Claim" means any claim (as defined in section 101(5) of the Bankruptcy Code) against a Debtor.

20. "Claims Objection Deadline" means the first Business Day that is three hundred sixty-five (365) days after the Effective Date or such later date as may be approved by Order of the Bankruptcy Court upon motion of the Plan Administrator.

21. "Class" means a category of Holders of Claims or Equity Interests as set forth in Article III hereof pursuant to section 1122(a) of the Bankruptcy Code.

22. "Clerk" means the clerk of the Bankruptcy Court.

23. "Combined Plan and Disclosure Statement" means this combined disclosure statement and Chapter 11 plan of liquidation, including, without limitation, all exhibits, supplements, appendices and schedules hereto, either in their present form or as the same may be altered, amended or modified from time to time.

24. "Confirmation" means the entry of the Confirmation Order by the Bankruptcy Court on the Docket of the Chapter 11 Cases.

25. "Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order on the Docket of the Chapter 11 Cases.

26. "Confirmation Hearing" means the hearing conducted by the Bankruptcy Court pursuant to section 1128(a) of the Bankruptcy Code to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

27. "Confirmation Order" means the Order of the Bankruptcy Court confirming the Combined Plan and Disclosure Statement pursuant to section 1129 of the Bankruptcy Code.

28. "Confirmation Notice" means the notice to be provided to all Creditors and parties in interest regarding the Confirmation Hearing and which shall contain instructions for obtaining a copy of the Combined Plan and Disclosure Statement.

29. "Creditor" means any Entity that is the Holder of a Claim against either of the Debtors.

30. "Debtor(s)" means Chieftain Sand and Proppant, LLC and Chieftain Sand and Proppant Barron, LLC, individually or collectively.

31. "DIP Agreement" means that certain Credit Agreement, dated as of January 9, 2017 among Chieftain Sand and Proppant, LLC, the lenders party thereto from time to time, and Energy Capital Partners Mezzanine Opportunities Fund A, LP, as administrative agent and collateral agent (as amended, modified, and supplemented from time to time).

32. "DIP Lenders" means, collectively, Energy Capital Partners Mezzanine Opportunities Fund A, LP, Energy Capital Partners Mezzanine Opportunities Fund LP, and Energy Capital Partners Mezzanine Opportunities Fund B, LP, as lenders under the DIP Agreement.

33. "DIP Lender Parties" means, Energy Capital Partners Mezzanine Opportunities Fund A, LP as administrative agent and collateral agent under the DIP Agreement, together with the DIP Lenders.

34. "Disbursing Agent" means the Plan Administrator; provided, however, that the Post-Effective Date Debtors or Plan Administrator may, in their discretion, retain a third party to act as Disbursing Agent.

35. "Disputed" means every Claim, or any portion thereof, that has not been Allowed pursuant to the Combined Plan and Disclosure Statement or a Final Order of the Bankruptcy Court and:

(a) if a Proof of Claim has been timely Filed by the applicable Bar Date, such Claim is designed on such Proof of Claim as unliquidated, contingent, or disputed, or in zero or unknown amount, and has not been resolved by written agreement of the parties or a Final Order of the Bankruptcy Court;

(b) if either (1) a Proof of Claim has been timely Filed by the applicable Bar Date or (2) a Claim has been listed on the Schedules as other than unliquidated, contingent or disputed, or in zero or unknown amount, a Claim (i) as to which either Debtor has timely filed an objection or request for estimation in accordance with the Combined Plan and Disclosure Statement, the Bankruptcy Code, the Bankruptcy Rules, and any orders of the Bankruptcy Court, in each case which objection, request for estimation or dispute has not been withdrawn, overruled or determined by a Final Order;

(c) that is the subject of an objection or request for estimation Filed in the Bankruptcy Court and which such objection or request for estimation has not been withdrawn, resolved, or overruled by Final Order of the Bankruptcy Court; or

(d) that is otherwise disputed by any Debtor in accordance with the provisions of the Combined Plan and Disclosure Statement or applicable law, which dispute has not been withdrawn, resolved or overruled by Final Order.

36. "Distribution" means any distribution to the Holders of Allowed Claims.

37. "Distribution Record Date" means the date of the Confirmation Hearing or such other date as designated in an Order of the Bankruptcy Court.

38. "Docket" means the docket in the Chapter 11 Cases maintained by the Clerk.

39. "Effective Date" means the first Business Day after all conditions specified in Article XII.B have been satisfied or waived.

40. "Entity" has the meaning ascribed to such term in section 101(15) of the Bankruptcy Code.

41. "Equity Interest" means any issued, unissued, authorized, or outstanding shares of common stock, preferred stock, membership interest or other instrument evidencing an ownership interest in a Debtor, whether or not transferable, together with any warrants, equity-based awards or contractual rights to purchase or acquire such equity interests at any time and all rights arising with respect thereto that existed immediately before the Effective Date.

42. "Estate" means, as to each Debtor, the estate created for such Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

43. **"**Exculpated Parties**"** means, collectively, (i) the Debtors, (ii) the current and former officers, directors and managers of the Debtors (including, without limitation, members of the Special Committee of Managers of the Debtors), and (iii) attorneys, financial advisors, accountants, and investment bankers of the Debtors.

44. "Executory Contract" means a contract, as it may have been amended, restated or otherwise modified and including any codicils, amendments, exhibits or annexes thereto, if any, to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

45. "File," "Filed" or "Filing" means filed, filed or filing with the Bankruptcy Court in the Chapter 11 Cases.

46. "Final DIP Order" means that certain Final Order (I) Authorizing Debtors to Obtain Postpetition Financing Pursuant to Section 364 of the Bankruptcy Code, (II) Authorizing the Use of Cash Collateral Pursuant to Section 363 of the Bankruptcy Code, (III) Granting Adequate Protection to the Prepetition Secured Parties Pursuant to Sections 361, 362, 363 and 364 of the Bankruptcy Code, (IV) Granting Liens and Superpriority Claims and (V) Modifying Automatic Stay [Docket No. 103].

47. "Final Fee Application" means an application for final allowance of Accrued Professional Compensation.

48. "Final Order" means an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the subject matter, as entered on the docket in any Chapter 11 Cases or the docket of any court of competent jurisdiction, and as to which the time to appeal, seek reconsideration under Rule 59(b) or 59(e) of the Federal Rules of Civil Procedure, seek a new trial, reargument, or rehearing and, where applicable, petition for certiorari has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no stay pending appeal of such order, or has otherwise been dismissed with prejudice; *provided, however*, that the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024, or any analogous rule, may be filed relating to such order or judgment shall not cause such order or judgment not to be a Final Order.

49. "General Administrative Expense Claim" means any Administrative Expense Claim, other than a Professional Fee Claim or a Statutory Fee Claim.

50. "General Bar Date" means March 8, 2017 at 5:00 p.m. (prevailing Eastern Time).

51. "General Unsecured Claims" means any unsecured Claim (other than an Administrative Expense Claim, a Priority Tax Claim, a Priority Non-Tax Claim, or an Intercompany Claim) against one or more of the Debtors including, but not limited to Claims arising from any litigation or other court, administrative or regulatory proceeding, including,

without limitation, damages or judgments entered against, or settlement amounts owing by a Debtor related thereto.

52. "Governmental Unit" has the meaning ascribed to such term in section 101(27) of the Bankruptcy Code.

53. "Holder" means the beneficial holder of a Claim or Equity Interest.

54. "Impaired" means, with reference to any Claim or Equity Interest, a Claim or Equity Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

55. "Insurance Policies" means all insurance policies of the Debtors.

56. "Intercompany Claims" means, collectively, any Claim held by a Debtor against another Debtor.

57. "Lien" has the meaning ascribed to that term in section 101(37) of the Bankruptcy Code.

58. "Local Bankruptcy Rules" means the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, and the general and chambers rules of the Bankruptcy Court.

59. "OCP Order" means the Order Authorizing Debtors to Retain and Compensate Professionals Used in the Ordinary Course of Business [Docket No. 98].

60. "Order" means an order or judgment of the Bankruptcy Court, as entered on the Docket.

61. "Other Secured Claim" means any Claim held by a landlord, lessor or a utility that is secured by a Lien on property in which the Estates have an interest, to the extent of the value of the Holder's interest in the Estates' interest in such property, as determined in accordance with section 506(a) of the Bankruptcy Code, or, in the event that such Claim is subject to a permissible setoff under section 553 of the Bankruptcy Code, to the extent of such permissible setoff.

62. "Person" has the meaning ascribed to such term in section 101(41) of the Bankruptcy Code.

63. "Petition Date" means January 9, 2017, the date on which the Debtors Filed their respective petitions for relief commencing the Chapter 11 Cases.

64. "Plan Administrator" means Victor A. Serri, or any successor thereto.

65. "Plan Documents" means this Combined Plan and Disclosure Statement and all of the exhibits and schedules and other documents attached hereto or Filed in connection herewith.

66. "Post-Effective Date Debtors" means the Debtors on and after the Effective Date.

67. "Prepetition Credit Agreement" means that certain Credit Agreement, dated as of July 25, 2012 (as amended by the First Amendment to Credit and Security Agreement, dated as of August 31, 2012, the Second Amendment to Credit and Security Agreement, dated as of October 1, 2012, the Third Amendment to Credit and Security Agreement, dated as of October 24, 2012, the Fourth Amendment to Credit and Security Agreement dated as of November 16, 2012, the Fifth Amendment to Credit and Security Agreement dated as of December 31, 2012, the Sixth Amendment to Credit and Security Agreement dated as of February 15, 2013, the Seventh Amendment to Credit and Security Agreement and Waiver dated as of June 14, 2013, the Eighth Amendment to Credit and Security Agreement and Waiver dated as of February 12, 2014, the Ninth Amendment to Credit and security Agreement dated as of September 4, 2014, the Tenth Amendment to Credit and Security Agreement and Waiver dated as of March 19, 2015, the Forbearance Agreement to Credit and Security Agreement dated as of July 29, 2015, the Eleventh Amendment to Credit and Security Agreement and First amendment to Forbearance Agreement dated as of August 28, 2015, and the Consent Agreement dated as of November 5, 2015.

68. "Prepetition Lenders" means, collectively, Energy Capital Partners Mezzanine Opportunities Fund A, LP, Energy Capital Partners Mezzanine Opportunities Fund LP, and Energy Capital Partners Mezzanine Opportunities Fund B, LP, as lenders under the Prepetition Credit Agreement.

69. "Prepetition Lender Parties" means, Energy Capital Partners Mezzanine Opportunities Fund A, LP as administrative agent and collateral agent under the Prepetition Credit Agreement, together with the Prepetition Lenders.

70. "Priority Claims" means, collectively, Priority Non-Tax and Priority Tax Claims.

71. "Priority Non-Tax Claim" means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim.

72. "Priority Tax Claim" means a Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

73. "Proof of Claim" means a timely Filed proof of Claim Filed against either Debtor in the Chapter 11 Cases.

74. "Pro Rata" means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class, or the proportion of a particular recovery that a Class is entitled to share with other Classes entitled to the same recovery under the Plan.

75. "Professional Fee Claims" means Claims for Accrued Professional Compensation.

76. "Rejection Claim" means a Claim arising out of the rejection of Unexpired Leases or Executory Contracts to which a Debtor is a party.

77. "Rejection Claim Bar Date" means the later of (a) the General Bar Date, and (b) 5:00 p.m. (prevailing Eastern Time) on the date that is 35 days following the entry of an Order approving the rejection of an Executory Contract or Unexpired Lease.

78. "Released Parties" means, collectively, (i) the Debtors, (ii) the Prepetition Lender Parties, (iii) the DIP Lender Parties, and with respect to each of (i), (ii), and (iii), each of their respective current and former officers, directors, managers (including, without limitation, members of the Special Committee of Managers of the Debtors), employees, agents, attorneys, financial advisors, accountants, investment bankers, investment advisors, consultants, agents, representatives and other professionals.

79. "Retained Professional" means an Entity employed in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327 and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date, pursuant to sections 327, 328, 329, 330, or 331 of the Bankruptcy Code.

80. "Sale" means the sale of substantially all of the Debtors' assets as authorized by the Sale Order.

81. "Sale Motion" means Debtors' Motion for Order (I)(A) Approving Bidding Procedures and Auction and (B) Scheduling Sale Hearing and Approving Notice Thereof; (II) Authorizing the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests; (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (IV) Granting Related Relief [Docket No. 17].

82. "Sale Order" means the Order (A) Authorizing and Approving (1) the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances and Other Interests and (2) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith and (B) Granting Related Relief [Docket No. 178].

83. "Schedules" means the Amended Schedules of Assets and Liabilities and the Amended Statement of Financial Affairs filed by the Debtors on February 22, 2017 [Docket Nos. 144, 145, 146 & 147] and any and all amendments and modifications thereto.

84. "Statutory Fees" means any and all fees payable to the United States Trustee pursuant to section 1930 of title 28 of the United States Code and any interest thereupon.

85. "Supplemental General Administrative Claims Bar Date" means the deadline for filing Administrative Expense Claims arising or accruing during the Supplemental General Administrative Claims Period (other than Professional Fee Claims), which shall be the Business Day that is thirty (30) days after the Effective Date. On or before the Supplemental General Administrative Claims Bar Date, all Holders of Administrative Expense Claims shall File with the Court and serve the Post-Effective Date Debtors and Plan Administrator, requests for payment, in writing, together with supporting documents, substantially complying with the Bar Date Order, the Bankruptcy Code, the Bankruptcy Rules and Local Rules.

86. "Supplemental General Administrative Claim Period" means the period commencing on January 9, 2017 and ending on the Effective Date.

87. "Unclaimed Distribution" means a Distribution that is not claimed by a Holder of an Allowed Claim on or prior to the Unclaimed Distribution Deadline.

88. "Unclaimed Distribution Deadline" means the date that is sixty (60) days from the date the Plan Administrator makes a Distribution under this Combined Plan and Disclosure Statement to a Holder of an Allowed Claim.

89. "Unexpired Lease" means a lease, as it may have been amended, restated or otherwise modified and including any codicils, amendments, exhibits or annexes thereto, if any, to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

90. "Unimpaired" means, with respect to a Claim, Equity Interest, or Class of Claims or Equity Interests, not "impaired" within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code.

91. "United States Trustee" means the United States Trustee for Region 3.

92. "Voting Agent" means Donlin Recano & Company, Inc., or any successor thereto.

93. "Voting Deadline" means the date and time by which all Ballots to accept or reject the Combined Plan and Disclosure Statement must be received in order to be counted.

94. "Wind Down Amount" means a fund in the amount of $1,135,069.00 (or such other sum as agreed to by the Debtors and the Prepetition Lender Parties), which amount was funded from the cash collateral of the Prepetition Lender Parties, to be used for the wind-down of the Post Effective-Date Debtors' Estates and payment of any related fees and expenses solely in accordance with the Wind Down Budget.

95. "Wind Down Budget" means the wind down budget prepared by the Debtors and agreed to by the DIP Lender Parties and the Prepetition Lender Parties, which budget shall govern the use of the Wind Down Amount.

ARTICLE II.

BACKGROUND

A. General Background

This Section provides an overview of the Debtors' business and organizational structure and summarizes the events leading up to the filing of the Chapter 11 Cases and certain of the key events in the Chapter 11 Cases.

1. Overview of the Debtors

(a) *Chieftain Sand and Proppant, LLC*

Chieftain Sand and Proppant, LLC is a Delaware limited liability corporation that was formed in 2009 as the holding company in connection with the Debtors entry into the mining, processing, and selling frac sand business. On the Petition Date, Chieftain Sand and Proppant, LLC was owned by various individual and entities.

(b) *Chieftain Sand and Proppant Barron, LLC*

Chieftain Sand and Proppant Barron, LLC, which is wholly owned by Chieftain Sand and Proppant, LLC, is a Wisconsin limited liability company that was formed in 2011. Chieftain Sand and Proppant Barron, LLC is the operating entity with respect to the Debtors' business and holds substantially all of the Debtors' assets.

2. Prepetition Secured Indebtedness

Prior to the Petition Date, Chieftain Sand and Proppant, LLC, as guarantor, and Chieftain Sand and Proppant Barron, LLC, as borrower, Energy Capital Partners Mezzanine Opportunities Fund A, LP, Energy Capital Partners Mezzanine Opportunities Fund LP, and Energy Capital Partners Mezzanine Opportunities Fund B, LP as Prepetition Lenders, and Energy Capital Partners Mezzanine Opportunities Fund A, LP, as administrative and collateral agent, were parties to the Prepetition Credit Agreement. The Prepetition Credit Agreement provided for a $65,000,000 initial term loan credit facility with successive term loan tranches of $15,000,000 and $3,000,000, and paid-in-kind interest resulting in principle owed of $88,748,611 as of the Eleventh Amendment effective date. As of the Petition Date, the applicable Debtors owed the Prepetition Lender Parties an aggregate principal amount of not less than $60,235,856, *plus* all accrued and unpaid interest thereon in the aggregate amount of not

less than $5,489,800 *plus* any additional fees, expenses (including any reasonable attorneys', accountants', appraisers', and financial advisors' fees and expenses that are chargeable or reimbursable under the prepetition credit documents), and other amounts due under the Prepetition Credit Agreement and the other prepetition loan documents. Pursuant to the prepetition loan documents, the Lenders were granted first priority liens on, and security interests in, substantially all of the Debtors' assets and property.

B. Events Leading to the Chapter 11 Filing

The recent petroleum recession began in late 2014 with a steady decline in oil prices from over $100 per barrel in mid-2104 to mid $30 per barrel in early 2016. This recession has caused approximately 105 North American oil and gas producer bankruptcies since the beginning of 2015. In the face of the petroleum economic downturn, in early 2015, the Debtors' leadership took appropriate steps to substantially reduce monthly cash losses. The cost reduction activities included gradually furloughing over 100 employees (currently seven full time employees remain), reducing leased equipment usage, and renegotiating existing leases.

Frac sand demand continued to decline in 2016, nearly destroying all of the Debtors' sales. The Debtors attempted to diversify its products by entering the foundry market. While there were some foundry sand sales, the small volume did little to alleviate the tightening liquidity position. The Debtors continued to reduce costs, moving the EBITDA loss from $3.4 million in Q1 2016 to a Q3-2016 EBITDA loss of $2.1 million.

Prior to the Petition Date, the Debtors attempted to find a third-party equity investor or, alternatively, to sell their assets outside of bankruptcy. Those efforts did not result in a binding offer and the Debtors lacked sufficient funds to continue the process. The DIP Lenders

agreed to provide financing in order to continue to operate the business and continue the sale efforts in a chapter 11 case. Additionally, Energy Capital Partners Mezzanine Opportunities Fund A, LP (one of the Prepetition Lenders and DIP Lenders) agreed to serve as the "stalking horse" purchaser in connection with such sale. Thereafter, following substantial and good-faith negotiations, the Debtors and Energy Capital Partners Mezzanine Opportunities Fund A, LP agreed to the terms of an asset purchase agreement. The Debtors filed these Chapter 11 Cases with the goal of continuing the process for a sale of all or substantially all of the assets through section 363 of the Bankruptcy Code.

C. The Chapter 11 Cases

The following is a brief description of certain material events that have occurred during these Chapter 11 Cases.

1. "First Day" and Related Motions

On or shortly after the Petition Date, the Debtors filed a number of motions and applications seeking certain relief, commonly referred to as "first day" motions, that were essential for the Debtors' transition to chapter 11 and an orderly wind-down and liquidation of the Debtors. A summary of the relief obtained pursuant to these motions is set forth below:

- *Debtors' Motion for Entry of Order Directing Procedural Consolidation and Joint Administration of Chapter 11 Cases*. The Debtors sought entry of an Order directing the joint administration of the Chapter 11 Cases and consolidation thereof for procedural purposes only. On January 10, 2017, the Bankruptcy Court entered an Order granting the relief requested in the motion [Docket No. 24].

- Debtors' Application for Entry of an Order Authorizing and Approving the Appointment of Donlin Recano as Claims and Noticing Agent Under 28 U.S.C. § 156, 11 U.S.C. § 105(a), and LBR 2002-1(f).The Debtors sought authorization to retain and employ DRC as their claims and noticing agent for the Chapter 11 Cases. On January 10, 2017, the

Bankruptcy Court entered an Order granting the relief requested in the application [Docket No. 25].[2]

- Debtors' Motion for Entry of an Order Extending the Time to File Schedules of Assets and Liabilities, Current Income and Expenditures, Executory Contracts and Unexpired Leases, and Statements of Financial Affairs. The Debtors sought authorization to extend their deadline for filing Schedules and Statements in connection with the Chapter 11 Cases. On January 10, 2017, the Bankruptcy Court entered an Order granting the relief requested in the motion [Docket No. 26].

- *Debtors' Motion for Entry of Interim and Final Orders Authorizing Continued Use of the Debtors' Cash Management System.* The Debtors sought entry of interim and final orders (i) authorizing the Debtors to (a) continue operating their cash management system, (b) honor certain fees and charges in connection with the ordinary course operation of their cash management system, and (c) maintain existing business forms, and (ii) granting the Debtors an extension to comply with the requirements of section 345(b) of the Bankruptcy Code. The Bankruptcy Court entered an Order granting the relief requested in the motion on an interim basis on January 10, 2017 [Docket No. 28] and thereafter entered an Order granting the relief requested in the motion on a final basis on January 31, 2017 [Docket No. 94].

- Debtors' Motion for Entry of Interim and Final Orders Authorizing the Debtors to Pay Prepetition Wages, Compensation, Employee Benefits and other Associated Obligations. The Debtors sought entry of interim and final orders (i) authorizing the Debtors, in their sole discretion, to pay (a) amounts relating to certain prepetition employee obligations (as more fully set forth in the motion) and (b) continue existing employee benefit programs (as more fully set forth in the motion), and (ii) authorizing banks and other financial institutions to receive, process, honor, and pay all checks and electronic payment requests relating to the foregoing. The Bankruptcy Court entered an Order granting the relief requested in the motion on an interim basis on January 10, 2017 [Docket No. 30] and thereafter entered an Order granting the relief requested in the motion on a final basis on January 31, 2017 [Docket No. 95].

- Debtors' Motion for Entry of Interim and Final Orders Establishing Adequate Assurance Procedures with respect to the Debtors' Utility Providers. The Debtors sought entry of interim and final orders (i) determining adequate assurance of payment for future utility services, (ii)

[2] Additionally, on January 31, 2017, the Bankruptcy Court entered an Order [Docket No. 102] authorizing the Debtors to retain DRC, pursuant to section 327(a) of the Bankruptcy Code, to serve as administrative agent to the Debtors.

prohibiting certain utility companies from altering, refusing, or discontinuing services, and (iii) establishing procedures for determining adequate assurance of payment. The Bankruptcy Court entered an Order granting the relief requested in the motion on an interim basis on January 10, 2017 [Docket No. 31] and thereafter entered an Order granting the relief requested in the motion on a final basis on January 31, 2017 [Docket No. 96].

- *Debtors' Motion for Entry of an Order Authorizing the Debtors to Continue Insurance Policies and Pay Related Obligations.* The Debtors sought entry of an order (i) authorizing, but not directing, the Debtors, in their sole discretion, to (a) maintain and continue to honor insurance programs described in the motion and (b) pay the insurance obligations described in the motion, on an uninterrupted basis, consistent with the Debtors' practices in effect prior to the commencement of the Chapter 11 Cases, whether such insurance obligations relate to the period prior to or after the commencement of the Chapter 11 Cases, and (ii) authorizing banks and other financial institutions to receive, process, honor, and pay all checks and electronic payment requests relating to the foregoing. The Bankruptcy Court entered an Order granting the relief requested in the motion on January 10, 2017 [Docket No. 32].

- *Debtors' Motion for Entry of Interim and Final Orders Authorizing the Debtors to Pay Certain Taxes.* The Debtors sought entry of an Order (i) authorizing the Debtors, in their sole discretion, to remit and pay prepetition taxes and fees (as more fully described in the motion) and (ii) authorizing banks and other financial institutions to receive, process, honor, and pay all checks and electronic payment requests in respect of those taxes and fees. On January 10, 2017, the Bankruptcy Court entered an Order granting the relief requested in the motion [Docket No. 27] and thereafter entered an Order granting the relief requested in the motion on a final basis on January 31, 2017 [Docket No. 93].

- Debtors' Motion for Entry of Interim and Final Orders Pursuant to Sections 361, 362, 363 and 364 of the Bankruptcy Code and Rule 4001 of the Federal Rules of Bankruptcy Procedure (A) Authorizing the Debtors to (I) Use Cash Collateral of the Prepetition Secured Parties, (II) Obtain Secured Superpriority Postpetition Financing and (III) Provide Adequate Protection to the Prepetition Secured Parties and (B) Scheduling Final Hearing. On January 10, 2017, the Bankruptcy Court entered its interim Order granting the relief requested in the DIP Motion [Docket No. 29] and thereafter entered an Order granting the relief requested in the motion on a final basis on January 31, 2017 [Docket No. 103]. As set forth in the Final DIP Order, the DIP Lenders (who are also the Debtors' Prepetition Lenders) permitted the Debtors to continue to use their cash collateral, and provided post-petition financing to the Debtors in order to complete the sale process. As of the Petition Date, the Prepetition Lenders

had a first-priority, perfected lien in all of the Debtors' assets. Pursuant to the Final DIP Order, the Prepetition Lenders and the DIP Lenders were also granted, among other things, superpriority claims and liens in the Debtors' assets.

2. Appointment of the Committee

An official committee of unsecured creditors has not been appointed in these Chapter 11 Cases.

3. Employment of Professionals and Advisors

The Bankruptcy Court entered Orders authorizing the Debtors to retain Gibbons P.C. as bankruptcy counsel [Docket No. 99] and to retain and compensate the following professionals and advisors:

(a) EisnerAmper LLP, as financial advisors [Docket No. 100].

(b) Tudor Pickering Holt & Co. Advisors LLC, as investment bankers [Docket No. 101].

(c) Donlin, Recano & Company Inc., as administrative agent [Docket No. 102].

4. Sale Process

Following an extensive pre-petition sale process, on January 9, 2017, the Debtors filed the Sale Motion with the Bankruptcy Court. The Sale Motion sought (i) approval of the bid procedures in connection with the sale and (ii) approval of the sale to the stalking horse purchaser or the highest or otherwise best bidder at an auction.

On February 3, 2017, the Bankruptcy Court held a hearing on the bid procedures portion of the relief requested in the Sale Motion and, that same day, entered an Order [Docket No. 115] approving such relief.

Pursuant to such Order, the Debtors were authorized to conduct an auction on March 22, 2017 if they received any qualified bids (other than the stalking horse bid). The Debtors did receive qualified bids and held an auction in accordance with the terms of the bidding procedures order. At the conclusion of the auction, the Debtors announced Mammoth Energy Services, Inc. or its designee as the highest or otherwise best bidder for the Debtors' assets and designated Badger Mining Corporation as the back-up bidder.

The Bankruptcy Court approved the sale to Mammoth Energy Services, Inc. at the sale hearing and entered the Sale Order on March 27, 2017.

The sale closed on May 26, 2017. In accordance with the sale, Mammoth paid approximately $35.25 million plus the assumption of certain liabilities. In accordance with prior Orders of the Bankruptcy Court, approximately $31.2 million of the sale proceeds were distributed to the Prepetition Lender Parties. Additional distributions were made to satisfy certain cure amounts, priority taxes and other agreed upon obligations. The remaining amount (approximately $1.885 million) remains in the Debtors' bank account to satisfy outstanding professional fees, wind down obligations and related severance and paid time off for the Debtors' former employees.

5. Rejection of Executory Contracts and Leases

Prior to the Petition Date, the Debtors warm idled their plant and, as such, had no need for many of their executory contracts and unexpired leases. Accordingly, on January 11, 2017, the Debtors filed a motion to reject certain contracts and unexpired leases [Docket No. 43]. The Court entered an Order [Docket No. 113] approving such rejection motion on February 3, 2017. Upon closing of the sale transaction (which occurred on May 26, 2017), it is expected that

any remaining executory contracts and unexpired leases that are not assumed and assigned in connection with the sale transaction will be rejected by the Debtors, whether via the Plan or separate motion.

6. Settlement with the Petersons

Prior to the Petition Date, the Debtors and Mr. Robert C. Peterson and Mrs. Janice Peterson entered into that certain Option Agreement, dated as of July 28, 2014, pursuant to which Debtors obtained an exclusive option to purchase certain real property owned by Mr. and Mrs. Peterson, located in Barron County, Wisconsin and consisting of approximately eighty (80) acres of land. On January 30, 2015, the Debtors issued the Notice of Exercise of Option Agreement, pursuant to which the Debtors exercised the option and agreed to purchase the property for the purchase price as set forth in the Option Agreement. The Option Agreement was amended pursuant to that certain (i) First Amendment to Option Agreement, dated as of March 17, 2015 and (ii) Second Amendment to Option Agreement, dated as of June 29, 2016. The Petersons conveyed the property to Debtor, Chieftain Sand and Proppant Barron, LLC pursuant to the Warranty Deed dated as of March 30, 2015. Under the terms of the Option Agreement, the Debtors were required to make the final payment of $205,000.00 to the Petersons by December 31, 2016. The Debtors did not make the payment and the Option Agreement states that the Debtors shall re-convey the property to the Petersons if payment is not made. In connection with the Debtors' sale of substantially all of their assets, the Petersons threatened to object to such sale and seek relief in the form of re-conveyance of the subject property in the event an acceptable resolution could not be reached. On February 14, 2017, the Debtors filed a Motion for Approval of Compromise and Settlement with the Petersons [Docket No. 133]. Pursuant to the settlement, the Petersons agreed, among other things, to release all right, title and

interest in the subject property in return for, among other things, payment of $50,000 within fourteen days of closing on a sale transaction. On March 3, 2017, the Bankruptcy Court entered an order approving such settlement [Docket No. 156].

7. Claims Process and Bar Date

(a) *Section 341(a) Meeting of Creditors*

On February 16, 2017, the United States Trustee held a meeting of creditors under Bankruptcy Code § 341 in these Chapter 11 cases.

(b) *Schedules and Statements*

On January 31, 2017, each of the Debtors, as debtors in possession, filed their respective Schedules of Assets and Liabilities and related Statement of Financial Affairs [Docket Nos. 87, 88, 89 and 90]. On February 22, 2017, the Debtors filed Amended Schedules of Assets and Liabilities and Amended Statements of Financial Affairs for both Debtors. [Docket Nos. 144, 145, 146 and 147].

(c) *Bar Dates*

Pursuant to the Bar Date Order, the Bankruptcy Court established, among others, the following bar dates for filing Proofs of Claim:

(i) General Bar Date/Government Bar Date: March 8, 2017 at 5:00 p.m. (prevailing Eastern Time) as the deadline for Creditors holding pre-petition Claims to file Proofs of Claim in the Chapter 11 Cases; July 10, 2017 at 5:00 p.m. (prevailing Eastern Time) as the deadline for all Governmental Units to file Proofs of Claim in the Chapter 11 Cases;

(ii) Amended Schedules Bar Date: With respect to any Claim affected, as described in the Bar Date Order, by the Debtors' amendment, if any, of the Amended Schedules, the Holder of any such affected Claim must file a Proof of Claim on or before the later of (1) the General Bar Date or (2) 5:00 p.m. (prevailing

Eastern Time) on the date that is 21 days after the Debtors provides notice to the Holder of the amendment; and

(iii) Rejection Claims Bar Date: With respect to Claims arising from the Debtors' rejection of Executory Contracts or Unexpired Leases pursuant to section 365 of the Bankruptcy Code, any such Creditor must file a Proof of Claim based on such rejection by the later of (1) the General Bar Date or (2) 5:00 p.m. (prevailing Eastern Time) on the date that is 35 days following the entry of the Order approving the rejection of an Executory Contract or Unexpired Lease under which the Person or Entity asserting such Claim is a party.

ARTICLE III.

DISCLOSURES AND RISK FACTORS

A. Certain Federal Income Tax Consequences

The confirmation and execution of this Combined Plan and Disclosure Statement may have tax consequences to Holders of Claims and Equity Interests. The Debtors do not offer an opinion as to any federal, state, local or other tax consequences to Holders of Claims and Equity Interests as a result of the confirmation of this Combined Plan and Disclosure Statement.

All Holders of Claims and Equity Interests are urged to consult their own tax advisors with respect to the federal, state, local and foreign tax consequences of this Combined Plan and Disclosure Statement. This Combined Plan and Disclosure Statement is not intended, and should not be construed, as legal or tax advice to any Creditor, Equity Interest Holder or other party in interest.

B. Alternate Combined Plan and Disclosure Statement

If this Combined Plan and Disclosure Statement is not confirmed, the Debtors, or any other party in interest could attempt to formulate a different plan. The additional costs—including, among other amounts, additional professional fees—would constitute Administrative

Expense Claims (subject to allowance) that may be so significant that one or more parties in interest could request that the Chapter 11 Cases be converted to chapter 7. The Debtors believe that conversion of these Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code will result in the incurrence of significant additional fees and expenses (which would have priority over Administrative Expense Claims of the Chapter 11 Cases and General Unsecured Claims), to the detriment of Creditors. Accordingly, the Debtors believe that the Combined Plan and Disclosure Statement enable Creditors to realize the best return under the circumstances.

C. Best Interests Test

Section 1129(a)(7) of the Bankruptcy Code requires that each Holder of an Impaired Claim or Equity Interest either (a) accept the plan or (b) receive or retain under plan property of a value, as of the Effective Date, that is not less than the value such Holder would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code. Because of the increased expenses that would be incurred in the event of a conversion of the Chapter 11 Cases to cases under Chapter 7, the value of any Distributions to Holders of Claims or Equity Interests if the Chapter 11 Cases were converted to cases under chapter 7 of the Bankruptcy Code would be less than or equal to the value of Distributions under this Combined Plan and Disclosure Statement. This is because conversion of the Chapter 11 Cases to chapter 7 cases would require the appointment of a chapter 7 trustee, and in turn, such chapter 7 trustee's likely retention of new professionals. The "learning curve" that the chapter 7 trustee and new professionals would be faced with comes with additional costs to the Estates and delay compared to the time of Distributions under this Combined Plan and Disclosure Statement.

As a result and due to the fact that any remaining funds left from the Wind Down Amount are the property of the Prepetition Lender Parties, the Debtors believe that the Estates

would have fewer funds available for distribution in a hypothetical chapter 7 liquidation than they would if this Combined Plan and Disclosure Statement is confirmed, and therefore Holders of Allowed Claims will recover less in the hypothetical chapter 7 cases. Accordingly, Debtors believe that the "best interest" test of Bankruptcy Code section 1129 is satisfied.

D. Liquidation Analysis

The Combined Plan and Disclosure Statement will provide holders of Allowed Claims and Equity Interests not less than what would be available to them in a chapter 7 liquidation. It proposes to pay all administrative and priority creditors in full.

A hypothetical chapter 7 liquidation analysis is attached to this Combined Disclosure Statement and Plan as Exhibit A. In a chapter 7 liquidation, the fees and expenses of a chapter 7 trustee and his or her professionals will be substantial. The new chapter 7 trustee and his or her retained professionals would require much time and effort to get up to speed and to administer the chapter 7 cases. The value of any Distributions if the Debtors' Chapter 11 Cases were converted to cases under chapter 7 of the Bankruptcy Code would be less than or equal to the value of Distributions under the Combined Plan and Disclosure Statement. Accordingly, the Debtors believe that the "best interests" test of Bankruptcy Code section 1129 is satisfied.

E. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that Confirmation of the Combined Plan and Disclosure Statement is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successors to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Combined Plan and Disclosure Statement. As set forth herein, the Debtors commenced these Chapter 11 Cases to

allow for an efficient and orderly wind down process and the Combined Plan and Disclosure Statement provides for the liquidation of the Debtor for the benefit of Creditors and the transfer of the Debtor's remaining assets, after Distributions to or reserves for Holders of Allowed Secured, Administrative, and Priority Claims, to the Plan Administrator. The Debtors will not be conducting any business operations after the Effective Date.

As such, provided that the Combined Plan and Disclosure Statement is confirmed and consummated, the Estates will not be subject to future reorganization or liquidation. Accordingly, the Debtors believe that the Plan is feasible and meets the requirements of section 1129(a)(11) of the Bankruptcy Code.

F. Certain Risk Factors to be Considered

Holders of Claims and Equity Interests should read and consider carefully the risk factors below, as well as the other information set forth in this Combined Plan and Disclosure Statement, the documents attached to this Combined Plan and Disclosure Statement, and the documents referred to or incorporated by reference in this Combined Plan and Disclosure Statement. These factors should not be regarded as constituting the only risks present in connection with this Combined Plan and Disclosure Statement and its implementation.

1. Risk Factors that May Affect the Debtors' Ability to Consummate this Combined Plan and Disclosure Statement

(a) *The Debtors May Not Be Able to Secure Confirmation of this Combined Plan and Disclosure Statement.*

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a Chapter 11 plan. While, as set forth below, the Debtors believe that this Combined Plan and

Disclosure Statement complies with or will comply with all such requirements, there can be no guarantee that the Bankruptcy Court will agree.

(b) *Risk of Non-Occurrence of the Effective Date*

There can be no assurance as to such timing, or as to whether the Effective Date will, in fact, occur. Further, to the extent Allowed Administrative Expense Claims exceed available Cash, the Plan cannot go effective.

(c) *Parties May Object to the Classification of Claims and Equity Interests*

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of Claims and Equity Interests under the Combined Plan and Disclosure Statement complies with the requirements set forth in the Bankruptcy Code. Nevertheless, there can be no assurance the Bankruptcy Court will reach the same conclusion.

ARTICLE IV.

SUMMARY OF DEBTORS' ASSETS AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Summary of Assets

On the Effective Date, the assets of the Post-Effective Date Debtors shall include, without limitation, all Cash on hand, which is estimated to be approximately $1,135,069.00 (less certain expenses incurred in connection with post-closing wind down activities), the Causes of Action (including those net recoveries realized from the prosecution and/or settlement of Causes of Action), any tax refunds, all rights of setoff and recoupment and other defenses that the Post-

Effective Date Debtors and the Estates may have with respect to any Claim and all Insurance Policies and the proceeds related to such Insurance Policies.

B. Summary of Treatment of Claims and Equity Interests

The following chart provides a summary of treatment of the classified Claims and Equity Interests. The treatment provided in this chart is for informational purposes only and is qualified in its entirety by Articles V and VI of this Combined Plan and Disclosure Statement.

CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS**[3]	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION**
Class 1: Other Priority Claims	Unimpaired/Deemed to Accept/Not Entitled to Vote Except to the extent that a Holder of an Allowed Other Priority Claim against any of the Debtors agrees to less favorable treatment of such Claim, each such Holder shall receive, in full and final satisfaction of such Claim, Cash in an amount equal to such Claim, payable on the later of the Effective Date and the date on which such Other Priority Claim becomes an Allowed Other Priority Claim.	$0	100%

[3] The low amounts in the range are based on the Debtors' books and records. The high amounts in the range are based on filed proofs of claim.

Class 2: Lender Secured Claims	Impaired / Entitled to Vote In full and final satisfaction of any remaining Claims, the Prepetition Lender Parties shall receive any excess cash from the Wind Down Amount after completion of the winding down of the Debtors and their estates and all payments and expenses related to such wind down have been satisfied.	An amount no less than $60,235,856.00	Undetermined
Class 3: Other Miscellaneous Secured Claims	Unimpaired/Not Entitled to Vote/Deemed to Accept Class 2 Other Secured Claims are the Secured Claims of lessors and utilities to the extent that such holder has a non-avoidable Lien on property in which the Estates have an interest and only to the extent of the value of such interest in the Estates' interest in such property, as provided by section 506(a) of the Bankruptcy Code. To the extent that a Person or Entity holds an Allowed Other Secured Claim, on the Effective Date, the automatic stay shall be lifted and the Holder may exercise its rights to its collateral or security deposit for satisfaction of its Allowed Secured Claim. Any deficiency that exists between the total Allowed	Undetermined	100%

	amount of such Holder's Claim and the Allowed amount of its Other Secured Claim shall be treated as a Class 4 General Unsecured Claim.		
Class 4: Knapp Railroad Builders, Inc. - Mechanics Lien/ Secured Claim	Impaired / Entitled to Vote Knapp Railroad Builders, Inc., the sole Holder of a Class 3 Secured Claim, shall, on the Effective Date or as soon as is reasonably practicable thereafter be paid in Cash an amount agreed upon by the parties in full and final satisfaction of its Allowed Class 3 Claim.	$161,220	$148,322.40
Class 5: General Unsecured Claims	Impaired/Deemed to Reject/Not Entitled to Vote Each Holder of an Allowed General Unsecured Claim shall receive no distribution on account of such General Unsecured Claim.	$6,040,541 - $20,000,000	0%
Class 6: Intercompany Claims	Impaired/Deemed to Reject/Not Entitled to Vote Holders of Intercompany Claims shall not receive or retain any property under the Combined Plan and Disclosure Statement on account of such Claims.	Unknown	0%
Class 7: Equity Interests in	Impaired/Deemed to Reject/Not Entitled to Vote	No value	0%

Chieftain Sand and Proppant, LLC	Holders of Equity Interests in Chieftain Sand and Proppant, LLC shall not receive or retain any property under the Combined Plan and Disclosure Statement on account of such Equity Interests.		
Class 8: Equity Interests in Chieftain Sand and Proppant Barron, LLC	Impaired/Deemed to Reject/Not Entitled to Vote Holders of Equity Interests in Chieftain Sand and Proppant Barron, LLC shall not receive or retain any property under the Combined Plan and Disclosure Statement on account of such Equity Interests.	No value	0%

C. Confirmation Procedure

1. Confirmation Hearing

A hearing before the Honorable Kevin Gross has been scheduled for **September 14, 2017 at 10:00 a.m. (prevailing Eastern Time)**, at the Bankruptcy Court, 824 North Market Street, 6th Floor, Courtroom No. 3, Wilmington, Delaware 19081 to consider confirmation of the Combined Plan and Disclosure Statement pursuant to section 1129 of the Bankruptcy Code. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement of the adjourned date made at the Confirmation Hearing or by Filing a notice with the Bankruptcy Court.

2. Procedure for Objections

Any objection to confirmation of this Combined Plan and Disclosure Statement must: (a) be in writing, (b) conform to the Bankruptcy Rules and Local Bankruptcy Rules, and (c) be filed with the Bankruptcy Court and served so as to be actually received on or before **September 5, 2017 at 4:00 p.m. (prevailing Eastern Time) ("Confirmation Objection Deadline")**, by (i) counsel for the Debtors, Gibbons P.C., 300 Delaware Avenue, Ste. 1015, Wilmington, Delaware 19801 (Attn: Howard A. Cohen, Esq. (hcohen@gibbonslaw.com); (ii) counsel for the DIP Lenders, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, (Attn: Mitchell A. Seider, Esq. (mitchell.seider@lw.com) and Annemarie V. Reilly, Esq. (annemarie.reilly@lw.com)) and Richards Layton & Finger, One Rodney Square, 920 N. King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins); and (iii) the United States Trustee, 844 King Street, Suite 2207, Lockbox #35, Wilmington, DE 19801, Attn: Hannah M. McCollum. **Unless an objection is timely filed and served by the Confirmation Objection Deadline, such objection may not be considered by the Bankruptcy Court at the Confirmation Hearing.**

3. Requirements for Confirmation

The Bankruptcy Court will confirm the Combined Plan and Disclosure Statement only if it meets all the applicable requirements of section 1129 of the Bankruptcy Code. Among the requirements for confirmation in these Chapter 11 Cases is that the Combined Plan and Disclosure Statement be: (a) accepted by all Impaired Classes of Claims and Equity Interests or, if rejected by an Impaired Class, that the Combined Plan and Disclosure Statement "does not discriminate unfairly" against and is "fair and equitable" with respect to such Class; and (b) feasible. The Bankruptcy Court must also find that:

(a) The Combined Plan and Disclosure Statement has classified Claims and Equity Interests in a permissible manner;

(b) The Combined Plan and Disclosure Statement complies with the technical requirements of Chapter 11 of the Bankruptcy Code; and

(c) The Combined Plan and Disclosure Statement has been proposed in good faith.

The Debtors believe that the Combined Plan and Disclosure Statement complies, or will comply, with all such requirements.

4. Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code requires the Combined Plan and Disclosure Statement to place a Claim or Equity Interest in a particular Class only if such Claim or Equity Interest is substantially similar to the other Claims or Equity Interests in such Class. The Combined Plan and Disclosure Statement create separate Classes to deal respectively with the various classes of claims and interests. The Debtors believe that the Combined Plan and Disclosure Statement's classifications place substantially similar Claims or Equity Interests in the same Class and thus meet the requirements of section 1122 of the Bankruptcy Code.

5. Impaired Claims or Equity Interests

Section 1124 of the Bankruptcy Code provides that a Class of Claims or Equity Interests may be Impaired if the Combined Plan and Disclosure Statement alters the legal, equitable or contractual rights of the Holders of such Claims or Equity Interests. Holders of Claims or Equity Interests that are Impaired are entitled to vote on the Combined Plan and Disclosure Statement. Holders of Claims that are Unimpaired by the Combined Plan and Disclosure Statement are deemed to accept the Combined Plan and Disclosure Statement and do not have the right to vote on the Combined Plan and Disclosure Statement. Under the Combined

Plan and Disclosure Statement, the Holders of General Unsecured Claims, Intercompany Claims and Equity Interests will not receive or retain any property under the Combined Plan and Disclosure Statement and are deemed to reject the Combined Plan and Disclosure Statement and do not have the right to vote. Finally, the Holders of Claims that are not classified under the Combined Plan and Disclosure Statement are not entitled to vote on the Combined Plan and Disclosure Statement.

6. Eligibility to Vote on the Plan

Unless otherwise ordered by the Bankruptcy Court, only Holders of Claims in Classes 2 and 4 may vote on the Plan. In order to vote on the Plan, you must hold a Claim in Classes 2 or 4.

7. Solicitation Notice

All Holders of Claims in Classes 2 and 4 will receive, among other documents the Confirmation Notice, a form of Ballot, and a copy of the Combined Plan and Disclosure Statement.

All other creditors not entitled to vote on the Combined Plan and Disclosure Statement will only receive (i) the Confirmation Notice, and (ii) a non-voting notice containing (a) the website address, **http://www.donlinrecano.com/Clients/cs/Index**, where parties in interest may download electronic copies of the Combined Plan and Disclosure Statement and other related pleadings to the Chapter 11 Cases, (b) the address for the Voting Agent, Donlin, Recano & Company, Inc., Re: Chieftain Sand and Proppant, LLC Balloting Attn: Voting Department, P.O. Box 192016, Blythebourne Station, Brooklyn, NY 11219, pursuant to which parties in interest may request copies of the Combined Plan and Disclosure Statement, Ballot,

and related documents and (c) reference to the Bankruptcy Court's website, through which parties in interest can download copies of the Combined Plan and Disclosure Statement, Ballot and other related pleadings.

8. Procedure/Voting Deadline

In order for your Ballot to count, you must (i) complete, date and properly execute the Ballot, and (ii) properly deliver the Ballot to the Voting Agent by First Class mail to the following address: Donlin, Recano & Company, Inc., Re: Chieftain Sand and Proppant, LLC Balloting Attn: Voting Department, P.O. Box 192016 Blythebourne Station, Brooklyn, NY 11219 or via overnight courier, messenger or hand deliver to Donlin, Recano & Company, Inc., Re: Chieftain Sand and Proppant, LLC Balloting Attn: Voting Department, 6201 15th Ave., Brooklyn, NY 11219.

The Voting Agent must ACTUALLY RECEIVE Ballots on or before the Voting Deadline. Except as otherwise ordered by the Bankruptcy Court or agreed to by the Debtors, you may not change your vote or election once a Ballot is submitted to the Voting Agent.

Any Ballot that is timely received from a party entitled to vote, that contains sufficient information to permit the identification of the party casting the Ballot, and that is cast as an acceptance or rejection of the Combined Plan and Disclosure Statement will be counted and will be deemed to be cast as an acceptance or rejection, as the case may be, of the Combined Plan and Disclosure Statement; provided, however, that the following Ballots will not be counted or considered for any purpose in determining whether the Combined Plan and Disclosure Statement has been accepted or rejected: (a) any Ballot received after the Voting Deadline (unless extended by the Bankruptcy Court or Debtors); (b) any Ballot that is illegible or contains

insufficient information to permit the identification of the claimant; (c) any Ballot cast by a Person or Entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Combined Plan and Disclosure Statement; (d) any Ballot cast for a Claim that is scheduled as contingent, unliquidated or disputed or as zero or unknown in amount and for which no timely motion is made pursuant to Bankruptcy Rule 3018 (the "Rule 3018(a) Motion") has been filed; (e) any Ballot that indicates neither an acceptance nor a rejection, or indicates both an acceptance and rejection of the Combined Plan and Disclosure Statement; (f) any Ballot that casts part of its vote in the same Class to accept the Combined Plan and Disclosure Statement and part to reject the Combined Plan and Disclosure Statement; (g) any form of Ballot other than the official form sent by the Voting Agent; (h) any form of Ballot received that the Voting Agent cannot match to an existing database record; (i) any Ballot that does not contain an original signature; (j) any Ballot that is submitted by facsimile email or by other electronic means; or (k) any Ballot sent only to the Chief Executive Officer of the Debtors or the Debtors' professionals and not the Voting Agent.

9. Acceptance of the Plan

As a Creditor, your acceptance of the Combined Plan and Disclosure Statement is important. In order for the Combined Plan and Disclosure Statement to be accepted by an Impaired Class of Claims, a majority in number (i.e., more than half) and two-thirds in dollar amount of the Claims voting (of each Impaired Class of Claims) must vote to accept the Combined Plan and Disclosure Statement. At least one impaired Class of Creditors, excluding the votes of insiders, must actually vote to accept the Combined Plan and Disclosure Statement. The Debtors urge that you vote to accept the Combined Plan and Disclosure Statement.

10. Elimination of Vacant Classes

Any Class of Claims or Equity Interests that does not contain, as of the date of commencement of the Confirmation Hearing, a Holder of an Allowed Claim or Equity Interest, shall be deemed deleted from the Combined Plan and Disclosure Statement for all purposes, including for purposes of: (i) voting on the acceptance or rejection of the Combined Plan and Disclosure Statement; and (ii) determining acceptance or rejection of the Combined Plan and Disclosure Statement by such Class under section 1129(a)(8) of the Bankruptcy Code.

ARTICLE V.

TREATMENT OF UNCLASSIFIED CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims and Equity Interests set forth in Article VI.

A. Administrative Expense Claims

1. General Administrative Expense Claims

Requests for payment of General Administrative Expense Claims for the Supplemental General Administrative Claim Period must be filed by no later than the Supplemental General Administrative Claims Bar Date. On the Effective Date or as soon thereafter as is reasonably practicable, each Holder of an Allowed General Administrative Expense Claim shall receive payment in full in Cash of the Allowed amount of such Claim (as determined by settlement or Final Order of the Bankruptcy Court) or such other treatment as may be agreed upon by such Holder of an Allowed General Administrative Expense Claim.

2. Professional Fee Claims

(a) *Final Fee Applications*

Final Fee Applications seeking payment of Professional Fee Claims for fees and expenses incurred through the Effective Date shall be filed no later than sixty (60) days after the Effective Date unless otherwise extended by the Bankruptcy Court; provided, however, that any professional who may receive compensation or reimbursement of expenses pursuant to the OCP Order may continue to receive such compensation and reimbursement of expenses for services rendered before the Effective Date, without further Court review or approval, pursuant to the terms of the OCP Order. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and Bankruptcy Rules, the Allowed amounts of such Professional Fee Claims shall be determined by the Bankruptcy Court.

(b) *Post-Effective Date Fees and Expenses*

After the Effective Date, any requirement that Retained Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Plan Administrator/Post-Effective Date Debtors may employ and pay any Retained Professional in the ordinary course of business without any further notice, to or action, order, or approval of, the Bankruptcy Court, to the extent permitted under the Wind Down Budget.

3. Statutory Fees

All Statutory Fees that become due and payable prior to the Effective Date shall be paid by the Debtors within thirty (30) days after the Effective Date. After the Effective Date, the Plan Administrator/Post-Effective Date Debtors shall pay any and all such fees when due and payable, and shall File quarterly reports in the form prescribed by the United States Trustee. Notwithstanding the substantive consolidation of the Debtors called for in this Combined Plan and Disclosure Statement, each of the Post-Effective Date Debtors shall remain obligated to pay

quarterly fees to the United States Trustee until the earliest of that particular Post-Effective Date Debtor's case being closed, dismissed or converted to a case under Chapter 7 of the Bankruptcy Code.

B. Priority Tax Claims

On the Effective Date or as soon thereafter as is reasonably practicable, each Holder of an Allowed Priority Tax Claim, if any, that has not already received full payment in connection with the closing of the sale transaction shall receive payment in full in Cash of the Allowed amount of such Claim (as determined by settlement or Final Order of the Bankruptcy Court), or such other treatment as may be agreed upon by such Holder of an Allowed Priority Tax Claim and the Post-Effective Date Debtors or the Plan Administrator.

Except to the extent that a holder of an Allowed Priority Tax Claim has been paid prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall receive, in full and complete settlement, satisfaction and discharge of its Allowed Priority Tax Claim, at the option of the Debtors, (a) Cash in an amount equal to such Allowed Priority Tax Claim on the later of the Effective Date and the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as is practicable, (b) in accordance with section 1129(a)(9)(C) of the Bankruptcy Code, equal annual Cash payments commencing on the first anniversary of the Effective Date in an aggregate amount equal to such Allowed Priority Tax Claim, together with interest on any outstanding balance from the Effective Date at the applicable rate under non-bankruptcy law, over a period not exceeding five years after the Petition Date or (c) upon such other terms determined by the Bankruptcy Court to provide the Holder of such Allowed Priority Tax Claim with deferred Cash payments having a value, as of the Effective Date, equal to such Allowed Priority Tax Claim; provided, however,

that the Debtors or Post-Effective Date Debtors shall have the right to pay any Allowed Priority Tax Claim, or any remaining balance, in full, at any time on or after the Effective Date, without premium or penalty. All Allowed Priority Tax Claims that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business as such obligations become due.

ARTICLE VI.

CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Classification of Claims

CLASS	TYPE	STATUS UNDER PLAN	VOTING STATUS
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Lender Secured Claims	Impaired	Entitled to Vote
3	Other Secured Claims	Unimpaired	Deemed to Accept
4	Knapp Railroad Builders, Inc. - Mechanics Lien/ Secured Claim	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Deemed to Reject
6	Intercompany Claims	Impaired	Deemed to Reject
7	Chieftain Sand and Proppant, LLC Equity Interests	Impaired	Deemed to Reject
8	Chieftain Sand and Proppant Barron, LLC Equity Interests	Impaired	Deemed to Reject

This Combined Plan and Disclosure Statement is premised upon the substantive consolidation of the Debtors. Accordingly, for purposes of the Combined Plan and Disclosure Statement only, the assets and liabilities of the Debtors are deemed the assets and liabilities of a single administratively consolidated entity and no value is attributed to the membership interests held by Chieftain Sand and Proppant, LLC in Chieftain Sand and Proppant Barron, LLC. Claims filed against both Debtors seeking recovery of the same debt shall be treated as one non-

aggregated Claim against the consolidated Estates to the extent that such Claim is an Allowed Claim.

The categories of Claims and Equity Interests listed below are classified for all purposes, including voting, confirmation and Distribution pursuant to this Combined Plan and Disclosure Statement, as follows:

B. Treatment of Claims and Equity Interests

1. Class 1: Other Priority Claims

Class 1 consists of the Other Priority Claims.

Except to the extent that a Holder of an Allowed Other Priority Claim against any of the Debtors agrees to less favorable treatment of such Claim, each such Holder shall receive, in full and final satisfaction of such Claim, Cash in an amount equal to such Claim, payable on the later of the Effective Date and the date on which such Other Priority Claim becomes an Allowed Other Priority Claim.

Class 1 is Unimpaired. The Holders of Allowed Other Priority Claims are unimpaired and deemed to have accepted the Combined Plan and Disclosure Statement pursuant to section 1126(f) of the Bankruptcy Code.

2. Class 2: Lender Secured Claims

Class 2 consists of the Lender Secured Claims. In full and final satisfaction of any remaining Claims, the Prepetition Lender Parties shall receive any remaining cash from the Wind Down Amount promptly after the Plan Administrator completes the wind down of the Post-Effective Date Debtors and their Estates in accordance with the Wind Down Budget,

including the payment of Distributions required by this Combined Plan and Disclosure Statement as well as payment of all fees and expenses related to such wind down.

Class 2 is Impaired. The Holder(s) of the Allowed Lender Secured Claims are entitled to vote on the Combined Plan and Disclosure Statement.

3. Class 3: Other Secured Claims

Class 3 consists of the Other Secured Claims of landlords, lessors and utilities. Each Other Secured Claim is secured only to the extent that any such Holder has a non-avoidable Lien on property in which the Estates have an interest and only to the extent of the value of such Holder's interest in the respective Estate's interest in such property.

On the Effective Date, and except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, at the option of the Debtors or Plan Administrator, each holder of an Allowed Other Secured Claim shall receive: (i) payment in full in Cash in full and final satisfaction of such Claim, payable on the later of the Effective Date or the date such Other Secured Claims becomes an Allowed Other Secured Claim, (ii) delivery of the collateral securing such Allowed Other Secured Claims and payment of any interest required by section 506(b) of the Bankruptcy Code, or (iii) such other treatment necessary to satisfy section 1129 of the Bankruptcy Code.

Class 3 is Unimpaired. The Holders of Allowed Other Secured Claims are unimpaired and deemed to have accepted the Combined Plan and Disclosure Statement pursuant to section 1126(f) of the Bankruptcy Code.

4. Class 4: Knapp Railroad Builders, Inc. - Mechanics Lien/ Secured Claim

Class 4 consists of the secured mechanics lien claim held by Knapp Railroad Builders, Inc. On the Effective Date or as soon thereafter as is reasonably practicable, the Holder of an Allowed Class 4 Claim shall receive payment in Cash in an amount agreed to by the parties in full and final satisfaction of the Allowed Class 4 Claim.

Class 4 is Impaired. The Holder of the Allowed Class 4 Claim is entitled to vote on the Combined Plan and Disclosure Statement.

5. Class 5: General Unsecured Claims

Class 5 consists of General Unsecured Claims. Each Holder of an Allowed General Unsecured Claim shall receive no distribution on account of such General Unsecured Claim.

Class 5 is Impaired. Holders of General Unsecured Claims in Class 5 are deemed to have rejected the Combined Plan and Disclosure Statement pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Combined Plan and Disclosure Statement.

6. Class 6: Intercompany Claims

Class 6 consists of the Intercompany Claims. On the Effective Date, all Intercompany Claims shall be extinguished and deemed cancelled. The Holders of Intercompany Claims will receive no Distribution under the Combined Plan and Disclosure Statement.

Class 6 Claims are Impaired. Holders of Class 6 Claims are deemed to have rejected the Combined Plan and Disclosure Statement pursuant to section 1126(g) of the

Bankruptcy Code and are not entitled to vote to accept or reject the Combined Plan and Disclosure Statement.

7. Class 7: Chieftain Sand and Proppant, LLC Equity Interests

Class 7 consists of the Chieftain Sand and Proppant, LLC Equity Interests. On the Effective Date, Chieftain Sand and Proppant, LLC Equity Interests shall be deemed to be cancelled. The Holders of Chieftain Sand and Proppant, LLC Equity Interests will receive no Distribution or other recovery on account of such Equity Interests.

Class 7 is Impaired. Holders of Chieftain Sand and Proppant, LLC Equity Interests in Class 7 are deemed to have rejected the Combined Plan and Disclosure Statement pursuant to section 1126(g) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Combined Plan and Disclosure Statement.

8. Class 8: Chieftain Sand and Proppant Barron, LLC Equity Interests

Class 8 consists of the Chieftain Sand and Proppant Barron, LLC Equity Interests held by Chieftain Sand and Proppant, LLC. Chieftain Sand and Proppant, LLC shall not receive or retain any property on account of its Chieftain Sand and Proppant Barron, LLC Equity Interests, and upon dissolution of the Debtors, the Chieftain Sand and Proppant Barron, LLC Equity Interests shall be deemed cancelled.

Class 8 is Impaired. Chieftain Sand and Proppant, LLC is deemed to have rejected the Combined Plan and Disclosure Statement on account of its Equity Interests in Chieftain Sand and Proppant Barron, LLC pursuant to section 1126(g) of the Bankruptcy Code, and is not entitled to vote to accept or reject the Combined Plan and Disclosure Statement.

C. Modification of Treatment of Claims and Equity Interests

At any time after the Confirmation Date, the Debtors, Post-Effective Date Debtors and/or the Plan Administrator each has the right to modify the treatment of any Allowed Claim or Equity Interest in any manner adverse only to the Holder of such Claim or Equity Interest with the consent of the Holder of such Claim or Equity Interest.

D. Cramdown and No Unfair Discrimination

With respect to the Impaired Classes that are deemed to have rejected the Combined Plan and Disclosure Statement, the Debtors hereby request that the Bankruptcy Court confirm the Combined Plan and Disclosure Statement in accordance with section 1129(b) of the Bankruptcy Code with respect to each such non-accepting Class, in which case the Combined Plan and Disclosure Statement shall constitute a motion for such relief.

Confirming the Combined Plan and Disclosure Statement under such circumstances is known as a "cramdown." A "cramdown" is appropriate where the Bankruptcy Court finds that such plan does not "unfairly discriminate" against the objecting class and is "fair and equitable" with respect to such objecting class. A plan "unfairly discriminates" against a class if another class of equal priority will receive greater value under the plan than the non-accepting class without reasonable justification. A plan is "fair and equitable" if no claim or interest junior to the objecting class shall receive or retain any property under the plan.

ARTICLE VII.

POST-CONFIRMATION PLAN ADMINISTRATOR

A. Appointment of the Plan Administrator

On the Effective Date, the Plan Administrator shall be appointed and thereafter serve in accordance with the terms of this Combined Plan and Disclosure Statement. The Plan Administrator shall not be required to give any bond or surety or other security for the performance of his duties unless otherwise ordered by the Bankruptcy Court. Effective as of the Effective Date and until such time as the Post-Effective Date Debtors are dissolved, the Plan Administrator shall be the sole officer and director of each Post-Effective Date Debtor. The Plan Administrator shall act for the post-Effective Date Debtors in the same fiduciary capacity as applicable to a board of directors and officers, subject to the provisions hereof (and all bylaws, articles of incorporation and related corporate documents are deemed amended by this Combined Plan and Disclosure Statement to permit and authorize the same). Those officers and directors who served in such capacity immediately prior to the Effective Date shall be replaced by the Plan Administrator on the Effective Date.

B. Rights and Powers of the Plan Administrator

Subject to the terms of the Final DIP Order and the Sale Order and solely in accordance with the Wind Down Budget, the Plan Administrator shall, in addition to any powers and authority specifically set forth in other provisions of the Combined Plan and Disclosure Statement, be empowered to act on behalf of the Estates and the Post-Effective Date Debtors to (i) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Combined Plan and Disclosure Statement, (ii) establish, as necessary, disbursement accounts for the deposit and distribution of all amounts distributed

under the Combined Plan and Disclosure Statement, (iii) make Distributions in accordance with the Combined Plan and Disclosure Statement, (iv) object to Claims, as appropriate, (v) employ and compensate professionals to represent it with respect to its, his, or her responsibilities, (vi) procure insurance, to the extent necessary, (vii) assert any of the Debtors' claims, Causes of Action, rights of setoff, or other legal or equitable defenses, (viii) exercise such other powers as may be vested in the Post-Effective Date Debtors and/or the Plan Administrator by Order of the Bankruptcy Court, pursuant to the Combined Plan and Disclosure Statement, or as deemed by the Plan Administrator to be necessary and proper to implement the provisions hereof, (ix) dissolve the Debtors notwithstanding any provision in their respective limited liability agreements to the contrary, and (x) file a motion for a final decree to close the Chapter 11 Cases. Subject to the terms of the Final DIP Order and the Sale Order and solely in accordance with the Wind Down Budget, the Plan Administrator may take any and all actions which he or she deems reasonably necessary or appropriate to defend against any Claim, including, without limitation, the right to: (a) exercise any and all judgment and discretion with respect to the manner in which to defend against or settle any Claim, including, without limitation, the retention of professionals, experts and consultants; and (b) enter into a settlement agreement or agreements without Bankruptcy Court approval.

For the avoidance of doubt, all Distributions or other disbursements made by the Plan Administrator shall be in accordance with the Wind Down Budget and subject to the written consent of the Prepetition Secured Lenders. The Plan Administrator shall provide weekly cash flow reports to the Prepetition Secured Lenders in a form acceptable to the Prepetition Secured Lenders in their sole discretion.

C. Post Confirmation Date Expenses of the Plan Administrator

The Plan Administrator shall receive reasonable compensation for services (in an amount agreed to by the Prepetition Lender Parties) rendered to the Estates and the Post-Effective Date Debtors pursuant to the Combined Plan and Disclosure Statement without further Order.

In addition, the amount of reasonable fees and expenses incurred by the Plan Administrator on or after the Effective Date (including, without limitation, reasonable attorney and professional fees and expenses) may be paid, in accordance with the Wind Down Budget, without further Order of the Bankruptcy Court.

D. Resignation, Death or Removal of Plan Administrator

The Plan Administrator may be removed at any time for cause shown (including fraud or gross negligence) upon application to, and subject to the approval of, the Bankruptcy Court on at least twenty (21) days' prior written notice to the United States Trustee and the Plan Administrator and its, his or her counsel. In the event of the resignation or removal, death or incapacity of the Plan Administrator, the Prepetition Lender Parties shall, subject to approval of the Bankruptcy Court, designate another Entity to serve as Plan Administrator and thereupon the successor Plan Administrator, without any further act, shall become fully vested with all of the rights, powers, duties and obligations of the predecessor.

E. No Agency Relationship, Limitation of Liability of Plan Administrator, Indemnification and Insurance

The Plan Administrator and its, his or her agents shall not be deemed to be the agent for any of the creditors in connection with the Cash held or Distributed pursuant to the Combined Plan and Disclosure Statement. The Plan Administrator and its, his or her agents shall

not be liable for any mistake of fact or law or error of judgment or any act or omission of any kind unless it constitutes actual fraud, gross negligence or willful misconduct. The Plan Administrator shall be indemnified and held harmless, including the costs of defending such claims, by the Post-Effective Date Debtors and their Estates against any and all claims arising out of the performance of its, his or her duties under the Plan, except to the extent its, his or her actions constitute actual fraud, gross negligence or willful misconduct. The Plan Administrator may obtain, at the expense of the Debtors and their Estates, commercially reasonable liability or other appropriate insurance with respect to the indemnification obligation of the Plan Administrator. The Plan Administrator may conclusively rely, and shall be fully protected personally in acting upon, any statement, instrument, opinion, report, notice, request, consent, order, or other instrument or document which it, he or she believes to be genuine and to have been signed or presented by the proper party. The Plan Administrator may rely upon written information previously generated by the Debtors. Nothing herein shall preclude the Plan Administrator from asserting as a defense to any claim of actual fraud, gross negligence or willful misconduct that he reasonably relied on the advice of counsel with respect to his duties and responsibilities under this Combined Plan and Disclosure Statement or otherwise.

F. Winding Up Affairs

Following the Effective Date, the Post-Effective Date Debtors shall not engage in any business activities or take any actions, except those necessary to consummate the Combined Plan and Disclosure Statement and wind up the affairs of the Post-Effective Date Debtors. On and after the Effective Date, the Plan Administrator may, in the name of the Post-Effective Date Debtors, take such actions without supervision or approval by the Bankruptcy Court and free of any restrictions or condition set forth in each of the Debtors' respective limited liability

agreements, Bankruptcy Code or the Bankruptcy Rules, other than any restrictions expressly imposed by the Combined Plan and Disclosure Statement or the Confirmation Order.

G. Post-Confirmation Reports

After the Effective Date, the Plan Administrator shall file all required post-confirmation reports on a quarterly basis until the closing of the Post-Effective Date Debtors' Chapter 11 Cases or as otherwise ordered by the Bankruptcy Court or required by the United States Trustee.

H. Termination of the Plan Administrator

After the Plan Administrator has completed the tasks necessary to liquidate, wind down, dissolve and/or terminate the Post-Effective Date Debtors and to otherwise comply with his or her obligations, the Plan Administrator shall have completed his or her duties and shall be released and discharged.

ARTICLE VIII.

PROVISIONS GOVERNING DISTRIBUTIONS UNDER THE COMBINED PLAN AND DISCLOSURE STATEMENT

A. Method of Payment

Unless otherwise expressly agreed, in writing, all Cash payments to be made pursuant to the Combined Plan and Disclosure Statement shall be made by check drawn on a domestic bank or an electronic wire.

B. No Interest

No Holder of an Allowed Claim will be entitled to the accrual of post-Petition Date interest or the payment of post-Petition Date interest, penalties or late charges on account of

such Claim for any purpose, except to the extent permitted by Section 506(b) of the Bankruptcy Code.

C. Objections to and Resolution of Claims

The Plan Administrator, with the consent of the Prepetition Lender Parties and in accordance with the Combined Plan and Disclosure Statement and the Wind Down Budget, shall have (a) the exclusive right to file objections and/or motions to estimate any and all Claims after the Effective Date, (b) the authority to compromise, settle, otherwise resolve or withdraw any objections, without approval of the Bankruptcy Court, and (c) the authority to resolve and settle any and all Claims without approval of the Bankruptcy Court.

D. Claims Objection Deadline

The Plan Administrator shall file and serve any objection to any Claims, including Administrative Expense Claims, no later than the Claims Objection Deadline; *provided, however,* the Claims Objection Deadline may be extended by the Bankruptcy Court from time to time upon motion (on notice) by the Plan Administrator.

E. No Distribution Pending Allowance

Notwithstanding any other provision of the Combined Plan and Disclosure Statement, no payment or Distribution of Cash or other property shall be made with respect to any portion of a Disputed Claim unless and until all objections to such Claim are resolved by Final Order or as otherwise permitted by this Combined Plan and Disclosure Statement and such Disputed Claim has become an Allowed Claim.

F. Claims Reserve

On any date that Distributions are to be made under the terms of the Combined Plan and Disclosure Statement, the Plan Administrator shall reserve Cash or property equal to one-hundred percent (100%) of the Cash or property that would be Distributed on such date on account of Disputed Claims as if each such Disputed Claim were an Allowed Claim but for the pendency of a dispute with respect thereto, unless otherwise Ordered by the Bankruptcy Court following notice to the affected Claim Holder. Such Cash or property, as the case may be, shall be held for the benefit of the Holders of all such Disputed Claims pending determination of their entitlement thereto.

G. Distribution After Allowance

Except as provided herein, within the later of (i) seven (7) Business Days after such Claim becomes an Allowed Claim and (ii) thirty (30) days after the expiration of the Claims Objection Deadline, the Plan Administrator shall distribute all Cash or other property to which a Holder of an Allowed Claim is then entitled.

H. Adjustments to Claims Without Objection

After the Effective Date, any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be marked as satisfied, adjusted or expunged on the register of Claims in the Chapter 11 Cases by the Plan Administrator without a Claims objection having to be Filed and without any further notice to or action, Order or approval of the Bankruptcy Court.

I. Late Claims and Amendments to Claims After Confirmation Date

Except as provided herein or otherwise agreed, any and all Holders of Proofs of Claim Filed after the applicable Bar Date shall not be treated as Creditors for purposes of Distribution pursuant to Bankruptcy Rule 3003(c)(2) and the Bar Date Order unless on or before the Confirmation Date such late Claim has been deemed timely Filed by a Final Order. After the Confirmation Date, a Proof of Claim may not be Filed or amended without the authorization of the Bankruptcy Court.

J. Distribution Record Date

Except as otherwise provided in a Final Order of the Bankruptcy Court, the transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 on or prior to the Distribution Record Date will be treated as the Holders of those Claims for all purposes. The Plan Administrator shall have no obligation to recognize any transfer of any Claim occurring after the Distribution Record Date. In making any Distribution with respect to any Claim, the Plan Administrator shall be entitled instead to recognize and deal with, for all purposes hereunder, only the Entity that is listed on the Proof of Claim Filed with respect thereto or on the Schedules as the Holder thereof as of the close of business on the Distribution Record Date and upon such other evidence or record of transfer or assignment that are actually known to the Plan Administrator as of the Distribution Record Date.

K. Delivery of Distributions

Except as provided herein, Distributions to Holders of Allowed Claims shall be made: (1) at the addresses set forth on the respective Proofs of Claim or interest Filed by such Holders; (2) at the addresses set forth in any written notices of address changes delivered to the Plan Administrator after the date of any related Proof of Claim or interest; or (3) at the address

reflected in the Schedules if no Proof of Claim or interest is filed and the Plan Administrator has not received a written notice of a change of address.

If any distribution is returned as undeliverable, the Plan Administrator shall make a reasonable effort to find the correct address, but shall otherwise have no obligation to determine the correct current address, and no distribution to such Holder shall be made unless and until the Plan Administrator is notified, in writing, by the Holder of the current address within 60 days of such distribution, at which time a distribution shall be made to such Holder without interest. In the event the Plan Administrator does not receive timely notification the distribution shall be deemed unclaimed property and shall revert to the Plan Administrator to be distributed in accordance with the terms of the Combined Plan and Disclosure Statement, and the right or claim of the Holder to such distribution shall be discharged and forever barred. For the avoidance of doubt, all unclaimed property reverting to the Plan Administrator shall be subject to the liens of the DIP Lender Parties and the Prepetition Lender Parties in accordance with the Final DIP Order.

L. Unclaimed Distributions

Any Cash or other property to be Distributed to a Holder of an Allowed Claim under the Combined Plan and Disclosure Statement shall revert to the Post-Effective Date Debtors if it is not claimed by the Holder on or before the Unclaimed Distribution Deadline and shall be subject to the liens of the DIP Lender Parties and the Prepetition Lender Parties in accordance with the Final DIP Order. If such Cash or other property is not claimed on or before the Unclaimed Distribution Deadline, the Distribution made to such Holder shall be deemed to be reduced to zero. In such event, the Unclaimed Distribution shall be added to the Funds or

other property to be Distributed on a *Pro Rata* basis to the Holders of Allowed Claims in accordance with the Combined Plan and Disclosure Statement.

M. De Minimis Distributions

Distributions of fractions of dollars will not be made, but will be rounded to the nearest dollar (up or down), with half dollars being rounded down. No Distribution will be made to any Creditor if the cost of making the Distribution would exceed the amount of the Distribution. Any Cash not distributed pursuant to this Article VII of the Combined Plan and Disclosure Statement will be the property of the Plan Administrator and the Post-Effective Date Debtors and shall be subject to the liens of the DIP Lender Parties and the Prepetition Lender Parties in accordance with the Final DIP Order.

N. Setoff and Recoupment

The Plan Administrator shall retain the right to reduce any Claim (other than the Lender Secured Claims) by way of setoff and recoupment in accordance with the Debtors' Books and Records upon notice to the claimant.

O. Allocation of Distributions Between Principal and Interest

To the extent that any such Allowed Claim entitled to a Distribution under the Combined Plan and Disclosure Statement is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall be allocated to the principal amount (as determined for federal income tax purposes) of the Claim first, and then to accrued but unpaid interest.

P. Withholding and Reporting Requirements

In connection with the consummation of the Combined Plan and Disclosure Statement, the Plan Administrator shall comply with all withholding and reporting requirements

imposed by any federal, state, local or foreign taxing authority and all Distributions hereunder shall be subject to any such withholding and reporting requirements. Notwithstanding the above, each Holder of an Allowed Claim that is to receive a Distribution under the Combined Plan and Disclosure Statement shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such Holder by any Governmental Unit, including income, withholding and other tax obligations, on account of such Distribution. The Plan Administrator has the right, but not the obligation, not to make a Distribution until such Holder has made satisfactory arrangements for payment of any such tax obligations.

The Plan Administrator may require, as a condition to receipt of a Distribution, that the Holder of an Allowed Claim complete and return a Form W-8 or W-9, as applicable to each such Holder. If the Plan Administrator makes such a request and the Holder fails to comply before the date that is 180 days after the request is made, the amount of such Distribution shall irrevocably revert to the Post-Effective Date Debtors and Plan Administrator and shall be subject to the liens of the DIP Lender Parties and the Prepetition Lender Parties in accordance with the Final DIP Order and any Claim in respect of such Distribution shall be disallowed and forever barred from assertion against the Debtors, Post-Effective Date Debtors, Plan Administrator or their property.

ARTICLE IX.

IMPLEMENTATION AND EFFECT OF CONFIRMATION OF COMBINED PLAN AND DISCLOSURE STATEMENT

A. Means for Implementation of the Combined Plan and Disclosure Statement

In addition to the provisions set forth elsewhere in the Combined Plan and Disclosure Statement, the following shall constitute the means for implementation of the Combined Plan and Disclosure Statement:

1. Substantive Consolidation

The Combined Plan and Disclosure Statement provides for substantive consolidation of the Debtors' Estates, but solely for the purposes of this Combined Plan and Disclosure Statement, including making any Distributions to Holders of Allowed Claims. The Debtors propose substantive consolidation because Chieftain Sand and Proppant, LLC and Chieftain Sand and Proppant Barron, LLC (which is wholly-owned and controlled by Chieftain Sand and Proppant, LLC):

(a) operated as a single business organization, sharing office space, accounting systems, management and governance, employees and the financial services systems that were offered to their customers in the industry;

(b) provided consolidated financial statements to its secured creditors and filed consolidated tax returns;

(c) had overlapping officers and directors;

(d) funded the payment of expenses, including employee payroll and other debts that were owed by the other Debtor;

(e) transferred assets and liabilities to each other without record keeping; and

(f) made intercompany transfers of funds without record keeping such that determination of intercompany liabilities is cost prohibitive.

For the foregoing reasons, the Debtors believe substantive consolidation is in the best interest of all creditors.

On the Effective Date, (i) all assets and liabilities of the Debtors will, solely for Distribution purposes, be treated as if they were merged; (ii) all intercompany claims will be eliminated; (iii) each Claim Filed or to be Filed against the Debtors will be deemed a single non-aggregated Claim against, and a single non-aggregated obligation of, the Debtors; (iv) all guarantees of either Debtor of the payment, performance, or collection of obligations of the other Debtor shall be eliminated and canceled; and (v) all transfers, disbursements and Distributions on account of Claims made by or on behalf of any of the Debtors' Estates hereunder will be deemed to be made by or on behalf of all of the Debtors' Estates. Holders of Allowed Claims entitled to Distributions under this Combined Plan and Disclosure Statement shall be entitled to their *Pro Rata* share of assets available for Distribution, if any, on account of such Claim without regard to which Debtor was originally liable for such Claim. Except as set forth herein, such substantive consolidation shall not (other than for purposes related to this Combined Plan and Disclosure Statement) affect the legal and corporate structures of the Debtors.

The Debtors propose substantive consolidation to avoid depletion of the funds held by the Estates that would be required in order to properly segregate the assets and liabilities of the Debtors for the purpose of making Distributions to Entity-specific Claims. Substantive consolidation has been approved by the Bankruptcy Court under similar circumstances. *See In re Owens Corning*, 419 F.3d 195 (3d Cir. 2006); *see also In re I.R.C.C., Inc.*, 105 B.R. 237, 239 (Bankr. S.D.N.Y. 1989) (substantively consolidating corporate subsidiaries where they had operated as a single economic unit commingling funds, holding common assets and filing consolidated tax returns and the trustee testified that the "financial affairs of the subsidiaries in

the [corporate group] were so entangled that it would be virtually impossible to deal with them separately"); *In re Leslie Fay Companies, Inc.*, 207 B.R. 764, 780 (Bankr. S.D.N.Y. 1997) (substantively consolidating debtors where the "debtors' operations, cash, and decision-making were all shared such that it would be detrimental to the estates to attempt to disentangle those operations.")

2. Continuing Existence

From and after the Effective Date, the Post-Effective Date Debtors shall continue in existence for the purpose of (i) winding up their affairs, (ii) liquidating, by conversion to Cash or other methods, any remaining assets of their bankruptcy estates, as expeditiously as reasonably possible, (iii) enforcing and prosecuting claims, interests, rights and privileges of the Post-Effective Date Debtors and their bankruptcy Estates, including, without limitation, Causes of Action, (iv) resolving Disputed Claims, (v) administering the Combined Plan and Disclosure Statement and taking such actions as are necessary to effectuate the Combined Plan and Disclosure Statement, and (vi) filing appropriate tax returns.

Upon the distribution of all remaining assets of the Post-Effective Date Debtors pursuant to the Combined Plan and Disclosure Statement, the Post-Effective Date Debtors shall be dissolved in accordance with applicable law and the Post-Effective Date Debtors shall file with the appropriate offices of the State of Delaware certificates of dissolution, to the extent necessary. The Plan Administrator shall have the authority to dissolve the Debtors under applicable state law notwithstanding any provision in their respective limited liability agreements to the contrary.

3. Funding of the Plan

The Plan shall be funded by (i) available Cash on the Effective Date and (ii) funds available after the Effective Date from, among other things, the liquidation of the Post- Effective Date Debtors' remaining assets and the prosecution and resolution of Causes of Action.

4. Severance/Stay on Bonus Payments

On April 5, 2017, the Debtors filed their Motion for an Order Authorizing Payment of Severance Claims (Dkt. No. 184). Pursuant to this motion, upon closing of the sale, the Prepetition Lender Parties have agreed to leave behind sufficient funds (in addition to the Wind-Down Amount) with the Debtors' estates in order to fund severance payments to certain of the Debtors' employees who are not hired by the purchaser. An order approving this motion was entered on April 26, 2017 (Dkt No. 211). It is anticipated that Mr. Victor A. Serri, the former Chief Executive Officer, will stay on with the Debtors post-closing in order to assist with the wind-down process and will serve as Plan Administrator. Mr. Serri was not covered by the severance order due to the fact that he intends to serve as Plan Administrator. The Debtors have negotiated a separate agreement with Mr. Serri concerning a stay on bonus payment of $530,000. Such stay on bonus payment will be earned only if Mr. Serri stays on through the conclusion of these Chapter 11 Cases and agrees to assist with the wind down of the Debtors. Further, the payment shall be made from funds left behind by the Prepetition Lender Parties (which are in addition to the Wind Down Amount), which funds are specifically earmarked for this bonus payment. The Plan shall serve as a motion for approval for payment of such stay on bonus to Mr. Serri and the Confirmation Order shall serve as approval of the payment.

5. Preservation of Causes of Action

To the extent not otherwise waived, released, settled, assigned or sold pursuant to a prior Order, the Plan Administrator specifically retains and reserves the right to assert, after the Effective Date, any and all of the Claims, Causes of Action and related rights, whether or not asserted as of the Effective Date, and all proceeds of the foregoing. The Plan Administrator may pursue, abandon, settle or release any or all such Causes of Action, as he or she deems appropriate, without the need to obtain approval or any other or further relief from the Bankruptcy Court. To the extent the Plan Administrator commences an actual lawsuit (whether by adversary proceeding or otherwise), such lawsuits will be filed on the docket of a court of competent jurisdiction.

6. Corporate Action; Effectuating Documents; Further Transactions

On the Effective Date, subject to the Final DIP Order and the Sale Order, all matters and actions provided for under the Combined Plan and Disclosure Statement that would otherwise require approval of the Debtors shall be deemed to have been authorized and effective in all respects as provided herein and shall be taken without any requirement for further action by the Debtors. Subject to the provisions of the Final DIP Order and the Sale Order, the Debtors, the Post-Effective Date Debtors or the Plan Administrator, as applicable, are authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Combined Plan and Disclosure Statement.

ARTICLE X.

EXCULPATION, RELEASES AND INJUNCTIONS

A. Exculpation

The Debtors, the Debtors' Estates and the Exculpated Parties shall not have or incur any liability to any Person or Entity, including any holder of a Claim or Equity Interest, for any act or omission taken or not taken in connection with, relating to, or arising out of the Chapter 11 Cases, the negotiation and Filing of this Combined Plan and Disclosure Statement, the Filing of the Chapter 11 Cases, the prosecution and/or settlement of Claims, the performance, termination or rejection of Executory Contracts, the pursuit of confirmation of this Combined Plan and Disclosure Statement, the consummation of this Combined Plan and Disclosure Statement, the administration of this Combined Plan and Disclosure Statement or the property to be Distributed under this Combined Plan and Disclosure Statement, except for their willful misconduct or gross negligence or any obligations that they have under or in connection with this Combined Plan and Disclosure Statement or the transactions contemplated in this Combined Plan and Disclosure Statement. Nothing herein shall preclude the Exculpated Parties from asserting as a defense to any claim of willful misconduct or gross negligence that he reasonably relied upon the advice of counsel with respect to his duties and responsibilities under the Combined Plan and Disclosure Statement or otherwise.

B. Releases by the Debtors

Effective as of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors, the Debtors' Estates, and any Estate representative appointed or selected pursuant to the Bankruptcy Code shall be deemed to,

completely, conclusively, absolutely, unconditionally, irrevocably and forever release, waive, void, extinguish and discharge any of the Released Parties and their respective assets and properties from any claim, Claim, Cause of Action, obligation, suit, judgment, damages, debt, right, remedy or liability whatsoever, whether known or unknown, foreseen or unforeseen, whether directly or derivatively held, existing as of the Effective Date or thereafter arising, in law, at equity or otherwise, based in whole or in part on any act, omission, transaction, or other occurrence or circumstances (i) that took place prior to or after the Petition Date relating to and/or in connection with either of the Debtors prior to or on the Effective Date; and (ii) that was taken or not taken in connection with, relating to, or arising out of, in whole or in part the Chapter 11 Cases, the Sale (and the auction in connection therewith), the negotiation and Filing of this Combined Plan and Disclosure Statement and any related documents, the Filing of the Chapter 11 Cases, the prosecution and/or settlement of Claims prior to or during the Chapter 11 Cases, the subject matter of, or the transactions or events giving rise to, any Claim that is treated in this Combined Plan and Disclosure Statement, the performance, termination or rejection of Executory Contracts, the pursuit of confirmation of or the solicitation of votes on this Combined Plan and Disclosure Statement, the consummation of this Combined Plan and Disclosure Statement, or the administration of this Combined Plan and Disclosure Statement or the property to be Distributed under this Combined Plan and Disclosure Statement, except for their willful misconduct or gross negligence or any obligations that they have under or in connection with this Combined Plan and Disclosure Statement or the transactions contemplated in this Combined Plan and Disclosure Statement.

C. Injunction

Except as expressly otherwise provided in the Combined Plan and Disclosure Statement, on the Effective Date of the Combined Plan and Disclosure Statement, all Entities or Persons that hold, have held or may hold or have asserted, assert or may assert Claims against or Equity Interests in the Debtors and their Estates shall be permanently, forever and completely stayed, restrained, prohibited, barred and enjoined from taking any of the following actions against any of the Debtors, the Post-Effective Date Debtors, their Estates or any of their property, whether directly or indirectly, derivatively or otherwise, on account of or based on the subject matter of such Claim or Equity Interest: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including, without limitation, any judicial, arbitral, administrative or other proceeding) in any forum; (ii) enforcing, attaching (including, without limitation, any prejudgment attachment), collecting, or in any way seeking to recover any judgment, award, decree, or other order; (iii) creating, perfecting or in any way enforcing in any matter, directly or indirectly, any Lien; (iv) setting off, seeking reimbursement or contributions from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any liability or obligation owed to any Person or Entity released under this Combined Plan and Disclosure Statement, except with respect to any right of setoff asserted prior to the entry of the Confirmation Order, whether asserted in a Proof of Claim or otherwise, or as otherwise contemplated or allowed by the Combined Plan and Disclosure Statement; and (v) commencing or continuing in any manner, in any place of any judicial, arbitration or administrative proceeding in any forum, that does not comply with or is inconsistent with the provisions of the Combined Plan and Disclosure Statement or the Confirmation Order.

ARTICLE XI.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Executory Contracts and Unexpired Leases

Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all Executory Contracts and Unexpired Leases that exist between the Debtors and any Person or Entity shall be deemed rejected by the Debtors on the Confirmation Date and effective as of the Confirmation Date, except for any Executory Contract or Unexpired Lease (i) that has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Confirmation Date, or (ii) as to which a motion for approval of the assumption or rejection of such Executory Contract or Unexpired Lease has been filed and served prior to the Confirmation Date. The Confirmation Order shall constitute an Order approving such rejection as of the Effective Date.

B. Debtors' Insurance Policies

Nothing in the Combined Plan and Disclosure Statement and/or the Confirmation Order alters the rights and obligations of the Debtors (and their Estates) and the Debtors' insurers (and third-party claims administrators) under the Insurance Policies or modifies the coverage or benefits provided thereunder or the terms or conditions thereof or diminishes or impairs the enforceability of the Insurance Policies.

ARTICLE XII.

CONDITIONS PRECEDENT TO AND OCCURRENCE OF CONFIRMATION AND THE EFFECTIVE DATE

A. Conditions Precedent to Confirmation

The following are conditions precedent to Confirmation that must be satisfied or waived:

(i) The Confirmation Order shall be reasonably acceptable in form and substance to the Debtors and the Prepetition Lender Parties; and

(ii) Any exhibits or schedules incorporated as part of the Combined Plan and Disclosure Statement shall be reasonably acceptable in form and substance to the Debtors and the Prepetition Lender Parties.

B. Conditions Precedent to the Effective Date

The Combined Plan and Disclosure Statement shall not become effective unless and until the following conditions shall have been satisfied or waived:

(i) Entry of the Confirmation Order;

(ii) The Wind Down Amount shall be fully funded;

(iii) There shall exist sufficient Cash to satisfy Administrative Expense Claims, Priority Tax Claims and Priority Non-Tax Claims which are or become Allowed Claims; and

(iv) The Confirmation Order becomes a Final Order.

C. Establishing the Effective Date

The calendar date to serve as the Effective Date shall be a Business Day, on or promptly following the satisfaction or waiver of all conditions to the Effective Date, which date will be selected by the Debtors. On or within three (3) Business Days of the Effective Date, the Post-Effective Date Debtors shall file and serve a notice of occurrence of the Effective Date. Such notice shall contain, among other things, the Supplemental General Administrative Claims Bar Date, the deadline by which Professionals must file and serve any Professional Fee Claims and the deadline to file a proof of claim relating to damages from the rejection of any Executory Contract pursuant to the terms of the Combined Plan and Disclosure Statement.

ARTICLE XIII.

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, following the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Cases as is legally permissible, including, without limitation, such jurisdiction as is necessary to ensure that the interests and purposes of the Combined Plan and Disclosure Statement are carried out. The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Cases and the Combined Plan and Disclosure Statement pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(i) To hear and determine any objections to Claims and to address any issues relating to Disputed Claims;

(ii) To enter and implement such Orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

(iii) To issue such Orders in aid of execution and consummation of the Combined Plan and Disclosure Statement, to the extent authorized by section 1142 of the Bankruptcy Code;

(iv) To consider any amendments to or modifications of the Combined Plan and Disclosure Statement, to cure any defect or omission, or reconcile any inconsistency in any Order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(v) To hear and determine all requests for compensation and reimbursement of expenses under sections 330, 331 or 503 of the Bankruptcy Code;

(vi) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Combined Plan and Disclosure Statement;

(vii) To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code (including, without limitation, any request by the Plan Administrator for an expedited determination of tax under section 505(b) of the Bankruptcy Code);

(viii) To hear any other matter not inconsistent with the Bankruptcy Code;

(ix) To enter a final decree closing the Chapter 11 Cases;

(x) To ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Combined Plan and Disclosure Statement;

(xi) To decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the Debtors that may be pending on the Effective Date;

(xii) To issue injunctions, enter and implement other Orders or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the occurrence of the Effective Date or enforcement of the Combined Plan and Disclosure Statement, except as otherwise provided herein;

(xiii) To determine any other matters that may arise in connection with or related to the Combined Plan and Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created or implemented in connection with the Combined Plan and Disclosure Statement;

(xiv) To enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, exculpations, and rulings entered in connection with the Chapter 11 Cases (whether or not the Chapter 11 Cases have been closed);

(xv) To resolve disputes concerning any reserves with respect to Disputed Claims or the administration thereof;

(xvi) To resolve any disputes concerning whether a Person or Entity had sufficient notice of the Chapter 11 Cases, the General Bar Date, the Supplemental Administrative Claims Bar Date, the Government Bar Date, the Amended Schedules Bar Date, the Rejection Bar Date, and/or the hearing on the approval of the Combined Plan and Disclosure Statement for the purpose of determining whether a Claim or Equity Interest is discharged and/or enjoined hereunder or for any other purpose;

(xvii) To hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, if any are pending, and the allowance of any Claims resulting therefrom;

(xviii) To recover all assets of the Post-Effective Date Debtors and property of the Post-Effective Date Debtors' Estates, wherever located;

(xix) To issue such orders as may be necessary or appropriate to expand or otherwise modify the powers and duties of the Plan Administrator; and

(xx) To resolve any other matter or for any purpose specified in the Combined Plan and Disclosure Statement, the Confirmation Order, or any other document entered into in connection with any of the foregoing.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

A. Books and Records

On the Effective Date, the Debtors' Books and Records shall be transferred to the Plan Administrator. After the Effective Date, the Plan Administrator shall be free, in his or her discretion to abandon, destroy or otherwise dispose of the Books and Records in compliance with applicable non-bankruptcy law, without the need for any other or further Order.

B. Transfer of Debtors' Assets

Except as otherwise provided herein, any assets that are property of the Debtors' Estates on the Effective Date including, without limitation, any Causes of Action, shall transfer to the Post-Effective Date Debtors and Plan Administrator on the Effective Date. Thereafter, the Plan Administrator may use, sell or dispose of such property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules or Bankruptcy Court approval. Except as specifically provided in the Combined Plan and Disclosure Statement or the Confirmation Order, as of the Effective Date, all property of the Post-Effective Date Debtors shall be free and clear of any liens, Claims, encumbrances and interests of any kind. Notwithstanding the foregoing, all property of the Post-Effective Date Debtors and its proceeds (including, without limitation, the

Wind Down Amount) shall remain subject to the liens of the DIP Lender Parties and the Prepetition Lender Parties, as applicable, pursuant to the Final DIP Order and such property shall be used only in accordance with the Wind Down Budget unless otherwise agreed to in writing by the Prepetition Lender Parties. To the extent the Chapter 11 Cases are converted post-confirmation, property transferred to the Plan Administrator shall re-vest in the converted Debtors' Estates.

C. Termination of Injunctions or Stays

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code or otherwise, and extant on the Confirmation Date shall terminate on the Effective Date, at which time the injunctions and stays set forth in this Combined Plan and Disclosure Statement shall take effect.

D. Exemption from Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Combined Plan and Disclosure Statement, shall not be subject to any stamp or similar tax.

E. Amendment or Modification of the Combined Plan and Disclosure Statement

Alterations, amendments or modifications of the Combined Plan and Disclosure Statement may be proposed in writing by the Debtors (with the consent of the Prepetition Lender Parties), at any time before the Confirmation Date, provided that the Combined Plan and Disclosure Statement, as altered, amended or modified, satisfies the conditions of sections 1122

and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. A holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such holder. Prior to the Effective Date, the Debtors may make appropriate technical non-material modifications to the Plan or the Disclosure Statement without further order or approval of the Bankruptcy Court, provided that such technical modifications do not adversely affect the treatment of holders of Claims or Equity Interests.

F. Severability

In the event the Bankruptcy Court determines, before the Confirmation Date, that any provision in the Combined Plan and Disclosure Statement is invalid, void or unenforceable, such provision shall be invalid, void or unenforceable with respect to the Holder or Holders of such Claims or Equity Interests as to which the provision is determined to be invalid, void or unenforceable. The invalidity, voidability or unenforceability of any such provision shall in no way limit or affect the enforceability and operative effect of any other provision of the Combined Plan and Disclosure Statement and shall not require the re-solicitation of any acceptance or rejection of the Plan unless otherwise ordered by the Bankruptcy Court.

G. Revocation or Withdrawal of the Combined Plan and Disclosure Statement

The Debtors reserve the right to revoke or withdraw the Combined Plan and Disclosure Statement before the Confirmation Date. If the Debtors revoke or withdraw the Combined Plan and Disclosure Statement before the Confirmation Date, then the Combined Plan and Disclosure Statement shall be deemed null and void. In such event, nothing contained herein

shall constitute or be deemed a waiver or release of any Claims by or against the Debtors and the Estates.

H. Binding Effect

The Combined Plan and Disclosure Statement shall be binding upon and inure to the benefit of the Debtors, the Holders of Claims and the Holders of Equity Interests, and their respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

I. Notices

All notices, requests and demands to or upon the Post-Effective Date Debtors or the Plan Administrator, to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as shall be set forth in the Confirmation Order.

J. Revised Bankruptcy Rule 2002 Service List

After the Effective Date, any Entities or Persons that want to continue to receive notice in these Chapter 11 Cases must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002 within thirty (30) days of the Effective of the Combined Plan and Disclosure Statement. To the extent a renewed request is not filed with the Bankruptcy Court, the Post-Effective Date Debtors are authorized to limit notice and not include such Entities or Persons on any official Post-Effective Date service lists.

K. Governing Law

Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent an exhibit to the Combined Plan and Disclosure Statement provides otherwise, the rights and obligations arising under the Combined Plan and Disclosure Statement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to the principles of conflicts of law of such jurisdiction.

L. Headings

Headings are used in the Combined Plan and Disclosure Statement for convenience and reference only, and shall not constitute a part of the Combined Plan and Disclosure Statement for any other purpose.

M. Exhibits/Schedules

All exhibits and schedules to the Combined Plan and Disclosure Statement are incorporated into and are a part of the Combined Plan and Disclosure Statement as if set forth in full herein.

N. Filing of Additional Documents

On or before substantial consummation of the Combined Plan and Disclosure Statement, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Combined Plan and Disclosure Statement.

O. No Admissions

Notwithstanding anything herein to the contrary, nothing contained in the Combined Plan and Disclosure Statement shall be deemed as an admission by any Entity with respect to any matter set forth herein.

P. Successors and Assigns

The rights, benefits and obligations of any Person or Entity named or referred to in the Combined Plan and Disclosure Statement shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign of such Person or Entity.

Q. Return of Deposits

Unless the Debtors have agreed otherwise in a written agreement, stipulation or order approved by the Bankruptcy Court, all deposits provided by the Debtors to any Person or Entity at any time shall be returned to the Post-Effective Date Debtors within twenty (20) days after the Effective Date, without deduction or offset of any kind and any such deposits shall be subject to the liens of the DIP Lender Parties and the Prepetition Lender Parties pursuant to the Final DIP Order.

R. Reservation of Rights

Except as expressly set forth herein, the Combined Plan and Disclosure Statement shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order.

None of the filing of the Combined Plan and Disclosure Statement, any statement or provision contained herein, or the taking of any action by the Debtors with respect to the Combined Plan and Disclosure Statement shall be or shall be deemed to be an admission or

waiver of any rights of the Debtors or Holders of Claims or Equity Interests before the Effective Date.

S. Implementation

The Debtors, Post-Effective Date Debtors and/or Plan Administrator, as applicable, shall take all steps, and execute all documents, including appropriate releases, necessary to effectuate the provisions contained in this Combined Plan and Disclosure Statement.

T. Inconsistency

In the event of any inconsistency among the Combined Plan and Disclosure Statement and any other instrument or document created or executed pursuant to the Combined Plan and Disclosure Statement, the provisions of the Combined Plan and Disclosure Statement shall govern. Notwithstanding the foregoing, nothing in the Combined Plan and Disclosure Statement shall affect the validity of the Final DIP Order and/or Sale Order.

U. Cancellation of Equity Interests

On the Effective Date, all existing Equity Interests shall, without further act or action by any party, be cancelled, annulled, and extinguished, and any Certificates representing such cancelled, annulled and extinguished Equity Interests shall be null and void.

V. Authorization of Plan Administrator to Wind-Up Affairs of the Debtors

Subject to the provisions of the Final DIP Order, the Sale Order, and the Wind Down Budget, the Plan Administrator shall be authorized and empowered to execute, deliver, file and record such contracts, instruments, assignments, conveyances, bills of sale, releases, Certificates and any other agreements or documents and take such action as is reasonably

necessary or appropriate to effectuate and implement the terms and conditions of this Consolidated Plan and Disclosure Statement and wind-up the affairs of the Post-Effective Date Debtors, without the need for action by the board of directors or other managing body of the Debtors or Post-Effective Date Debtors.

W. Dissolution of the Debtors

After the Effective Date, the Post-Effective Date Debtors shall be dissolved. The Post-Effective Date Debtors shall exist only for a period of time necessary to facilitate or complete the recovery and liquidation of the Post-Effective Date Debtors' remaining assets, and the Distribution of their proceeds. The Plan Administrator shall not unduly prolong the duration of the Post-Effective Date Debtors and shall at all times endeavor to resolve, settle or otherwise dispose of all Assets in accordance with the terms hereof and shall dissolve the Post-Effective Date Debtors as soon as is reasonably practicable.

In connection with and following the closing of the Chapter 11 Cases, the Plan Administrator and the Post-Effective Date Debtors are authorized (a) to take any and all actions necessary to effect the Post-Effective Date Debtors' dissolution for all purposes under applicable state law; and (b) to file any required, final federal, state and local tax returns and to take such other action as shall be necessary or appropriate to effect a final determination of any amounts of Post-Petition Date federal, state or local taxes owed by the Debtors or Post-Effective Date Debtors.

X. Request for Expedited Determination of Taxes

The Plan Administrator shall have the right to request an expedited determination under section 505(b) of the Bankruptcy Code with respect to tax returns filed, or to be filed, for

any and all taxable periods ending after each Debtor's respective Petition Date through the Effective Date.

Dated: July 6, 2017

CHIEFTAIN SAND AND PROPPANT, LLC AND CHIEFTAIN SAND AND PROPPANT BARRON, LLC.

/s/ Victor A. Serri
Authorized Signator

EXHIBIT A

LIQUIDATION ANALYSIS

Chieftain Sand and Proppant, LLC *et al.*
Case No. 17-10064-KG
Liquidation Analysis

		Proposed Plan of Liquidation	Chapter 7 Liquidation
Assets Available for Distribution			
Available Cash (Projected 5/26/17)		$ 1,347,919	$ 1,347,919
Other Cash Receipts		734,276	734,276
Less: Class 2: Lender Secured Claim (Energy Capital Partners)	[1]	(734,276)	(734,276)
Total Assets Available for Distribution		**1,347,919**	**1,347,919**
Administrative Expenses			
US Trustee Fees		34,875	34,875
Chapter 11 Professional Fees		404,516	404,516
Chapter 11 Winddown	[2]	568,842	-
Chapter 7 Professional Fees			500,000
Chapter 7 Trustee Commissions			63,688
Class 4: Knapp Railroad Reserve	[3]	148,322	128,976
Available for Distribution to Secured Creditors	[4]	**$ 191,363.60**	**$ 215,864.32**

[1] All cash receipts post sale closing are to be turned over to the secured lender, Energy Capital Partners.
[2] Assumes that in a Chapter 7 conversion scenario, only professionals' fees, U.S. Trustee fees and the Knapp Railroad settlement would be paid. The remaining Chapter 11 administrative claims would not receive distribution.
[3] Debtors have reached a settlement with Knapp Railroad according to which Knapp will receive 92% of its claim amount; in a Chapter 7 scenario Knapp would receive 80% of its claim amount.
[4] Assumes lenders obtain stay relief to foreclose on cash upon conversion, leaving a "no asset" Chapter 7 case.