

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X	
	:	Chapter 11
In re	:	
	:	Case No. 17-10064 (KG)
CHIEFTAIN SAND AND	:	
PROPPANT, LLC et al.,	:	Jointly Administered
	:	
Debtors.¹	:	
	X	

**DECLARATION OF MAX BARRETT IN SUPPORT OF
THE APPLICATION OF DEBTORS FOR ENTRY OF AN ORDER (I) AUTHORIZING
THE EMPLOYMENT AND RETENTION OF TUDOR PICKERING HOLT & CO.
ADVISORS, LLC AS INVESTMENT BANKER *NUNC PRO TUNC* TO THE
COMMENCEMENT DATE AND (II) WAIVING
INFORMATION REQUIREMENTS OF LOCAL RULE 2016-2(d)**

I, Max Barrett, declare under penalty of perjury:

1. I am a Vice President in the Investment Banking group at Tudor Pickering Holt & Co. Advisors, LLC (“TPH”), and one of the lead restructuring advisors involved in this case. TPH is the proposed investment banker to Chieftain Sand and Proppant, LLC (“Chieftain”) and certain of its debtor affiliates as debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”). TPH began working for the Debtors in April 2016. I submit this declaration (this “**Declaration**”) in support of the *Application of Debtors for Entry of Order Pursuant to 11 U.S.C. §§ 327(a) and 328(a), Fed. R. Bankr. P. 2014 and Local Rule 2014-1 (I) Authorizing the Employment and Retention of Tudor Pickering Holt & Co. Advisors, LLC as Investment Banker, Nunc Pro Tunc to the Commencement Date and (II) Waiving Information Requirements of Local Rule 2016-2(d)*, filed contemporaneously herewith (the “**Application**”).²

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Chieftain Sand and Proppant, LLC (1729) and Chieftain Sand and Proppant Barron, LLC (0418). The location of the Debtors’ principal place of business is 331 27th Street, New Auburn, Wisconsin 54757.

² Capitalized terms used but not otherwise defined in this Declaration have the meanings used in the Application.

2. Unless otherwise indicated, all facts set forth in this Declaration are based on my personal knowledge, my discussions with the members of the TPH team, or other interested parties, my review of relevant documents, or my opinion based upon my experience, knowledge, and information concerning the Debtors' operations and financial affairs. If I were called to testify, I would testify competently to the facts set forth below. To the extent that any information disclosed herein requires subsequent amendment or modification upon TPH's completion of further analysis or as additional creditor information becomes available to it, one or more supplemental declarations will be submitted to the Court reflecting the same.

TPH's Qualifications

3. TPH, formed in 2006, is an energy-only integrated investment and merchant bank widely known for its industry expertise. TPH merged with Perella Weinberg Partners ("PWP") effective November 30, 2016.³ The combined firm operates with approximately 650 employees across eight offices and offers advisory services across a wide range of industries. Additionally, the combined asset management business has approximately \$12 billion under management as of the closing. Collectively, TPH professionals have extensive experience working with financially troubled companies in complex financial restructurings, both in and out of court. TPH and PWP have assisted and advised in numerous chapter 11 cases. In particular, the partners and professionals employed by TPH and PWP have provided services to debtors, creditors' committees, and other constituencies in numerous chapter 11 cases, including, among others: III

³ On November 30, 2016, TPH consummated a combination with PWP, an investment bank with considerable breadth of restructuring and financial advisory experience. PWP is a financial services firm providing corporate advisory and asset management services to clients around the world including London, Austin, Abu Dhabi, Beijing, San Francisco, Denver and New York. PWP's corporate advisory practice is focused on providing clients with advice related to mergers and acquisitions and financial restructurings. PWP's mergers and acquisitions practice works with both public and private companies. Its financial restructuring practice works with companies, investors and other parties-in-interest in turn-around and distressed situations. In addition, PWP has an asset management business, which offers multiple investment vehicles focused on alternative investment products.

Exploration II, LP, Chaparral Energy, Greenfield Energy Services, Lumara Health, Inc., Codere SA, Atari, Inc., Outokumpu, Cengage Learning, School Specialty, Inc., Anadarko, Edison Mission Energy, Hostess Brands, Technicolor, Choctaw Generation Limited Partnership, Hawker Beechcraft, Inc., MBIA Inc., Vertis, Inc., Catalyst Paper Corporation, General Maritime Corporation, Plum Point Energy Associates, Georgia Gulf, US Power Generating Company and QCE Holdings LLC (Quiznos).

4. Since its initial engagement by the Debtors as financial advisor on August 1, 2014, TPH has advised the Debtors and in connection with their efforts to explore restructuring alternatives. During this time, TPH has become intimately familiar with the Debtors' businesses, affairs, assets and contractual agreements. In particular, throughout these processes, TPH engaged in extensive financial evaluation of the Debtors' businesses, including their operations, assets, capital structure, contractual arrangements and liquidity to build a foundation for a restructuring strategy. TPH evaluated the Debtors' business plan and utilized the business plan to forecast and analyze the Debtors' cash flows, and has served as the primary financial advisor to the Debtors in evaluating these various restructuring alternatives. When the Debtors determined to undertake the various sale processes, TPH actively managed and coordinated these processes on behalf of the Debtors and, as a result, has developed a thorough understanding of the market for Debtors' business. TPH has also assisted the Debtors in the preparation and presentation of various sales marketing materials, as well as assisted in facilitating multiple rounds of third-party due diligence efforts, in furtherance of these prior sales processes. Additionally, TPH has continued to maintain engagement with many of these third parties in advance of their potential interest in participating in a §363 sales process. If the Application is approved, TPH's professionals will continue to work closely with such parties throughout the

reorganization process. Accordingly and as a result of TPH's prepetition representation of the Debtors, I believe that TPH has the necessary background to deal effectively and efficiently with the many financial issues and problems that may arise in the context of the Debtors' Chapter 11 Cases.

Services to be Provided

5. Subject to further order of the Court, and consistent with the terms of the Engagement Agreement, TPH's services prior to and in these Chapter 11 Cases include acting as the Debtors' exclusive financial advisor with respect to a Sale⁴.

6. To perform these services in a cost-effective manner, TPH will endeavor to coordinate all of its services to the Debtors with the other professionals retained in the Chapter 11 Cases so as to minimize (and, wherever possible, avoid) any unnecessary duplication of services.

Professional Compensation

7. In consideration of the services to be provided by TPH, and as summarized in the Application and more fully described in the Engagement Agreement, the Debtors and TPH have agreed that TPH shall, in respect of its services, be compensated under the Fee Structure.

8. The Fee Structure is consistent with TPH's typical fee for work of this nature. The fees are set at a level designed to compensate TPH fairly for the work of its professionals and

⁴ As described in the Engagement Agreement, "Sale" means the direct or indirect sale (whether in one or a related series of transactions) of 50% or more of the business, assets or the capital stock of the Debtors, or any merger, consolidation or other business combination, as well as any tender or exchange offer, negotiated purchase, leveraged buyout, recapitalization, reorganization, restructuring, or any other transaction that, in each case, results in the effective sale, transfer, or other disposition of 50% or more of the business or assets of the Debtors to a third party (including to any 'stalking horse bidder' or any other interested or related party) or the effective sale, transfer or other disposition of 50% of the capital stock of the Debtors to a third party (including to any 'stalking horse bidder' or any other interested or related party).

assistants and to cover fixed and routine overhead expenses. It is TPH's policy to charge its clients for all disbursements and expenses incurred in the rendition of services.

9. The Fee Structure is comparable to those generally charged by investment banking firms of similar stature to TPH and for comparable engagements, both in and out of court, and reflect a balance between a fixed, monthly fee and a contingency amount that is tied to the consummation and closing of certain transactions as contemplated in the Engagement Agreement.

10. The Engagement Agreement was negotiated at arm's length and in good faith, and I believe that the provisions contained therein are reasonable terms and conditions of TPH's employment by the Debtors.

11. With respect to the Engagement Agreement's indemnification provisions, as summarized in the Application and more fully described in Annex A of the Engagement Agreement, unlike the market for other professionals that a debtor may retain, indemnification is a standard term of the market for investment bankers. The indemnity, moreover, is comparable to those generally obtained by investment banking firms of similar stature to TPH and for comparable engagements, both in and out of court. The Engagement Agreement's indemnification and contribution provisions were fully negotiated by the Debtors and TPH at arm's-length and in good faith, and I respectfully submit that these indemnification and contribution provisions of the Engagement Agreement are reasonable, subject to the modifications set forth in the Proposed Order.

12. Other than as set forth above, there is no proposed arrangement between the Debtors and TPH for compensation to be paid in these cases. TPH has no agreement with any other entity to share any compensation received, nor will any be made, except as permitted under

Bankruptcy Code section 504(b)(1). TPH is willing to be retained by the Debtors as its investment banker and will make appropriate applications to this Court pursuant to the Bankruptcy Code for compensation and reimbursement of out-of-pocket expenses, all in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any orders of this Court.

13. TPH has requested, pursuant to Bankruptcy Code section 328(a), payment of its fees on a fixed-rate and/or fixed-percentage basis. It is not the general practice of investment banking firms to keep detailed time records similar to those customarily kept by attorneys. TPH's restructuring professionals, when formally retained in chapter 11 cases, and when required by local rules, do, and in these cases will, keep time records in half-hour increments describing their daily activities and the identity of persons who performed such tasks. TPH will also supplement this information with a list of the non-restructuring professionals who assist the restructuring department on this matter but who do not, as a matter of general practice, keep records in the same manner.

14. According to the Debtors' books and records, the Debtors paid TPH \$182,500 for monthly fees and \$0 for expenses during the 90-day period before the Commencement Date.

No Duplication of Efforts

15. The Debtors have worked with TPH and their other advisors to ensure that there will be no duplication of efforts and will continue to do so throughout the course of these Chapter 11 Cases.

TPH's Disinterestedness

16. TPH has performed a conflict search and based on the results, to the best of my knowledge, neither I, TPH, nor any member or employee thereof, insofar as I have been able to

ascertain, is an insider of the Debtors, nor has any connection with the Debtors, their creditors, or other parties-in-interest as reasonably known to us prior to completion of our more detailed conflict search, except as described further in the Balsmann Declaration.

17. As part of its diverse practice, TPH appears in numerous cases, proceedings and transactions involving many different professionals, including attorneys, accountants, investment bankers, and financial consultants, some of which may represent claimants and parties in interest in the Chapter 11 Cases. In addition, TPH has in the past and will likely in the future be working with or against other professionals involved in this case in matters unrelated to this case. Based on our current knowledge of the professionals involved, and to the best of my knowledge, none of these business relations constitute interests materially adverse to the Debtors' estates herein, and none are in connection with these cases.

18. Edward Balsmann, Managing Director and Chief Compliance Officer of TPH (in such capacity, the "CCO"), is responsible for, among other things, supervising the compliance function at TPH. As part of that job, he oversees employees who maintain, for purposes of monitoring and avoiding conflicts of interest, a list (the "**Restricted List**") of companies with which TPH is doing business, either as an advisor or with respect to which TPH is in possession of material nonpublic information or has entered into a confidentiality agreement. The CCO and his staff have received a list of parties in interest provided by the Debtors (the "**Parties-In-Interest**") and has compared this to TPH's Restricted List to determine the existence of any

possible conflicts (the “**Conflict Check**”). The results of this Conflict Check are disclosed in the Balsmann Declaration.

19. TPH does not believe that any of its involvement with any of the parties included in the Parties-In-Interest list will adversely affect the Debtors in any way. TPH does not believe that any potential relationship it may have with any of the Parties-In-Interest would interfere with or impair TPH’s representation of the Debtors.

20. Given the large number of parties in interest in the Chapter 11 Cases, despite the efforts to identify and disclose TPH’s relationships with the Parties-In-Interest, I am unable to state with absolute certainty that every client relationship or other connection has been disclosed in this Declaration. TPH, therefore, has informed the Debtors that TPH will conduct an ongoing review of its files to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new material facts or relationships are discovered or arise, TPH will promptly file a supplemental declaration with the Court as required by Local Rule 2014-1(a).

Executed on: January 10, 2017

By: /s/



Max Barrett

Vice President, Investment Banking
Tudor Pickering Holt & Co. Advisors, LLC