

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

In re:	§	
	§	Case No. 21-30710
CASTEX ENERGY 2005 HOLDCO, LLC, et al.,	§	
	§	Chapter 11
	§	
Debtors.¹	§	(Jointly Administered)

NOTICE OF EFFECTIVE DATE
(Relates to ECF # 307)

PLEASE TAKE NOTICE that on June 3, 2021, Castex Energy 2005 Holdco, LLC, *et al.*, the above-captioned debtors and debtors in possession (collectively, the “Debtors”), filed their *Fourth Amended Joint Chapter 11 Plan* [ECF # 307] (the “Plan”) in the Chapter 11 Cases pending before the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Court”).

PLEASE TAKE FURTHER NOTICE that, on June 7, 2021, the Court entered its *Order Confirming Fourth Amended Joint Chapter 11 Plan* [ECF # 324] (the “Confirmation Order”).²

PLEASE TAKE FURTHER NOTICE that:

1. **Effective Date.** Pursuant to the Plan and Confirmation Order, the Debtors hereby certify and give notice that the Plan became effective in accordance with its terms. All conditions precedent to the Effective Date have been satisfied, and the Effective Date occurred on **June 30, 2021**.
2. **Liquidating Trust Agreement.** An executed copy of the Liquidating Trust Agreement is attached hereto as **Exhibit A**.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Castex Energy 2005 Holdco, LLC (6832); Castex Energy 2005, LLC (6832); Castex Energy Partners, LLC (6832); and Castex Offshore, Inc. (8432). The Debtors’ mailing address is One Memorial City Plaza, 800 Gessner Rd., Suite 925, Houston, Texas 77024.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan or Confirmation Order, as applicable.

3. **Liquidating Trust Sources and Uses.** Attached hereto as **Exhibit B** is the agreed sources and uses of funds, beginning as of the Effective Date, to be transferred to the Liquidating Trust in accordance with the Plan, Confirmation Order, and Liquidating Trust Agreement. For the avoidance of doubt, a portion of such funds constituting secured cash shall subsequently be remitted by the Liquidating Trustee to the Prepetition Lenders, as more fully set forth in **Exhibit B**.

4. **Executory Contracts.** Except as otherwise provided in the Plan or Confirmation Order (including, for the avoidance of doubt, provisions in the Confirmation Order regarding assumption and assignment of Executory Contracts and Unexpired Leases to TPIC), all Executory Contracts and Unexpired Leases to which any of the Debtors are parties shall be deemed rejected pursuant to the Confirmation Order as of the Effective Date unless such contract or lease (i) was previously assumed or rejected by the Debtors pursuant to an order of the Bankruptcy Court; (ii) previously expired or terminated pursuant to its own terms or by agreement of the parties thereto; (iii) is the subject of a motion to assume filed by the Debtors on or before the Confirmation Date; (iv) is identified in the Plan or the Settlement Term Sheet; (v) is identified for assumption on the Schedule of Assumed Contracts included in the Plan Supplement; or (vi) is assumed pursuant to an order of the Court, after notice and hearing, and upon a motion to assume filed by the Liquidating Trustee filed not later than sixty (60) days following the Effective Date. *See* Plan, Art. V.A. Except as otherwise provided in the Plan, the Bar Date Order, or other Final Order of the Court, any Claim for damages arising from the rejection of an Executory Contract or Unexpired Lease pursuant to the Confirmation Order must be asserted in a Proof of Claim and filed with the Court no later than thirty (30) days after the Effective Date – **July 30, 2021**. *See* Plan, Art. V.C.

5. **Administrative Claims.** Except as otherwise provided in the Bar Date Order with respect to P&A Claims or Proofs of Claim asserting a Claim entitled to priority under section 503(b)(9) of the Bankruptcy Code, and unless previously filed, all Holders of Administrative Claims, other than Professionals, must file and serve applications for the allowance of Administrative Claims no later than the first Business Day that is thirty (30) days after the Effective Date – **July 30, 2021**. *See* Plan, Art. II.A.

6. **Professional Compensation Claims.** All requests for payment of Professional Compensation Claims for services rendered and reimbursement of expenses incurred by Professionals prior to the Effective Date must be filed and served no later than sixty (60) days after the Effective Date – **August 29, 2021**. *See* Plan, Art. II.B.

7. **Copies of the Confirmation Order.** Any party who wishes to obtain a copy of the Confirmation Order, including the Plan attached thereto, may request an electronic copy by: (i) contacting counsel for the Debtors; (ii) visiting the Debtors' restructuring website at: <http://donlinrecano.com/castex>; or (iii) visiting the website maintained by the Court at <http://www.txs.uscourts.gov/bankruptcy>.

Respectfully submitted on the 30th day of June, 2021.

OKIN ADAMS LLP

By: /s/ Matthew S. Okin
Matthew S. Okin
Texas Bar No. 00784695
Email: mokin@okinadams.com
David L. Curry, Jr.
Texas Bar No. 24065107
Email: dcurry@okinadams.com
Ryan A. O'Connor
Texas Bar No. 24098190
Email: roconnor@okinadams.com
1113 Vine St., Suite 240
Houston, TX 77002
Tel: (713) 228-4100
Fax: (888) 865-2118

ATTORNEYS FOR THE DEBTORS

CERTIFICATE OF SERVICE

I hereby certificate that on June 30, 2021, a true and correct copy of the foregoing Notice was served via the Court's CM/ECF system to all parties consenting to service through the same

By: /s/ Matthew S. Okin
Matthew S. Okin

Exhibit A

Liquidating Trust Agreement

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

In re: CASTEX ENERGY 2005 HOLDCO, LLC, <i>et al.</i>, Debtors.¹	§ § § § § §	Case No. 21-30710 Chapter 11 (Jointly Administered)
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LIQUIDATING TRUST AGREEMENT

This Liquidating Trust Agreement (this “Agreement”), is made this 30th day of June, 2021 (the “Effective Date”), by and among Castex Energy 2005 Holdco, LLC, *et al.* (collectively, the “Debtors”), as debtors and debtors in possession in the above-captioned bankruptcy cases (the “Chapter 11 Cases”) pending in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Bankruptcy Court”), and Thomas Thompson, as Liquidating Trustee (in such capacity as Liquidating Trustee of the Liquidating Trust, the “Liquidating Trustee” or “Trustee”), for the benefit of the Liquidating Trust Beneficiaries (as defined in the *Fourth Amended Joint Chapter 11 Plan* [ECF # 307] (as may be amended, the “Plan”) entitled to proceeds of the Liquidating Trust Assets (as defined in the Plan).

RECITALS

A. Entry of the Confirmation Order (as defined in the Plan) shall constitute a finding that the Liquidating Trust exists and is a valid entity for purposes of all non-bankruptcy law.

B. This trust (the “Trust” or the “Liquidating Trust”) is established, pursuant to the Plan, as a liquidating trust for the sole purpose of liquidating the Liquidating Trust Assets, with no objective to continue or engage in the conduct of a trade or business except to the extent reasonably necessary to, and consistent with, the liquidating purpose of this Trust and the terms of the Plan.

C. Capitalized terms used in this Agreement and not defined herein have the meanings ascribed to them in the Plan, or if not defined in the Plan, the meanings ascribed to them in the Bankruptcy Code.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and in the Plan; the Debtors and the Trustee agree as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Castex Energy 2005 Holdco, LLC (6832); Castex Energy 2005, LLC (6832); Castex Energy Partners, LLC (6832); and Castex Offshore, Inc. (8432). The Debtors’ mailing address is One Memorial City Plaza, 800 Gessner Rd., Suite 925, Houston, Texas 77024.

ARTICLE I **DEFINITIONS**

1.01 Definitions.

“Beneficiaries” means the holder of a beneficial interest in this Liquidating Trust, which shall be distributed in accordance with section 5.02 herein.

“Distribution” means a Distribution of property to a Beneficiary pursuant to this Agreement.

ARTICLE II **PURPOSE OF THE TRUST**

2.01 Purpose. The Liquidating Trust shall be established, in accordance with Treasury Regulation Section 301.7701-4(d), only for the purposes of liquidating the Liquidating Trust Assets, including, but not limited to prosecuting and resolving objections to Disputed Claims against the Debtors, and liquidating and distributing their Assets, with no objective to continue or engage in the pursuit of a trade or business; *provided, however*, that the Liquidating Trustee shall be authorized to manage the operation of the Debtors’ oil and gas properties to the extent that such operation is necessary to preserve the value of Liquidating Trust Assets pending liquidation, or to comply with any applicable health, safety, or environmental obligation arising from or related to the Liquidating Trust Assets or the Operated Properties, subject to the provisions of the Plan. Notwithstanding any other section of the Plan or this Agreement, it is the express intent that the Liquidating Trust shall survive until such purpose is either achieved or determined to be impracticable or impossible.

ARTICLE III **ESTABLISHMENT OF THE TRUST**

3.01 Name of the Trust. The name of the Trust shall be the Castex Liquidating Trust (referred to herein as the “Trust”).

3.02 Transfer of Liquidating Trust Assets to the Trust. Except as otherwise provided by the Plan or this Agreement, on the Effective Date, the Liquidating Trust Assets shall be deemed transferred to the Trust free and clear of all Claims and Interests, in accordance with Section 1141 of the Bankruptcy Code.

3.03 Title to the Liquidating Trust Assets. The Trustee shall hold title to the Liquidating Trust Assets for the benefit of the Beneficiaries, subject to the terms of the Plan and this Agreement. The Liquidating Trust Assets will be treated for tax purposes as being transferred by the Debtor to the Beneficiaries, and then by such Beneficiaries to the Trust in exchange for interests (the “Liquidating Trust Beneficial Interests”) for the benefit of such holders in accordance with the Plan. Accordingly, the holders of the Liquidating Trust Beneficial Interests as of the Effective Date shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the Trust. The foregoing treatment shall also apply, to the extent permitted by applicable law, for state and local and tax purposes.

3.04 Appointment of the Trustee. Pursuant to the Confirmation Order, Thomas Thompson has been designated to serve as the Trustee, and he hereby accepts such appointment and agrees to serve in such capacity, as of the Effective Date. The Trustee shall be deemed to be appointed pursuant to Bankruptcy Code section 1123(b)(3)(B).

3.05 Rights of Debtor. On the Effective Date, the Trustee shall succeed to all of the Debtors' right, title and interest in the Liquidating Trust Assets, but subject to the terms of the Plan and this Agreement, and the Debtors will have no further interest in or with respect to the Liquidating Trust Assets or this Trust, and the Trustee shall be vested with all rights and discretion regarding the Liquidating Trust Assets. In no event shall any part of the Liquidating Trust Assets revert to or be distributed to the Debtors.

3.06 Grantors. Pursuant to the Plan, the Debtors have agreed to contribute certain property to the Trust and have agreed to the terms of this Agreement solely in their capacity as Grantors.

3.07 Nontransferability. The Liquidating Trust Beneficial Interests shall be nontransferable, except upon the Trustee's written consent, which may be withheld for any reason in the Trustee's sole and absolute discretion.

ARTICLE IV **THE TRUSTEE**

4.01 Authority of the Trustee. The Trustee is hereby empowered to, subject to the limitations set forth in this Agreement, take any and all actions to effectuate the purpose of the Trust. Without limiting the generality of the previous sentence, the Trustee shall have the power to, for the benefit of the Beneficiaries:

(i) receive, hold, manage, sell, prosecute, resolve, invest, supervise, protect and liquidate the Liquidating Trust Assets;

(ii) withdraw, make Distributions and pay taxes and other obligations owed by the Trust from the funds held by the Trust in accordance with the Plan or applicable law;

(iii) execute, deliver, file, and record contracts, instruments, releases, indentures, certificates, and other agreements or documents, and take such actions, as it may deem reasonably necessary or appropriate to effectuate and implement the terms and conditions thereof or of the Plan;

(iv) calculate and implement Distributions to Beneficiaries out of the Liquidating Trust Assets in accordance with the Plan;

(v) protect, and enforce the rights to, the Liquidating Trust Assets by any method deemed appropriate, including by judicial proceeding;

(vi) compromise, adjust, arbitrate, sue on or defend, abandon, or otherwise resolve or settle, in accordance with the terms hereof, claims in favor of, or against, the Trust;

(vii) determine and satisfy any and all liabilities created, incurred, or assumed by the Trust;

(viii) pay all expenses of the Trust and make other payments relating to the Liquidating Trust Assets;

(iv) obtain and maintain insurance coverage with respect to the liabilities and obligations of the Trustee and the Trust (in the form of an errors and omissions policy, fiduciary policy, or otherwise);

(x) obtain and maintain insurance coverage with respect to real and personal property which may become Liquidating Trust Assets, if any;

(xi) retain and pay such third parties, including, one or more paying agents or counsel, as the Trustee may deem necessary or appropriate in its sole and reasonable discretion to assist the Trust in carrying out its powers and duties under this Agreement;

(xii) exercise such other powers as may be vested in or assumed by the Trust or the Trustee pursuant to the Plan, Bankruptcy Court order, or as may be necessary, proper and appropriate to carry out the provisions of the Plan;

(xiii) prosecute and resolve objections to Disputed Claims against the Debtors that are payable from the Liquidating Trust Assets; and

(xiv) file all necessary tax returns and other filings with governmental authorities on behalf of the Trust and the Liquidating Trust Assets held therein pursuant to the terms of this Agreement.

4.02 Limitations on Trustee's Authority.

(i) The Trustee is not authorized to engage in any trade or business with respect to the Liquidating Trust Assets, and shall engage only in activity reasonably necessary to, and consistent with, the liquidating purpose of the Trust. All actions taken by the Trustee shall be consistent with the expeditious but orderly liquidation of the Liquidating Trust Assets as is required by applicable law and consistent with the treatment of the Trust as a liquidating trust under Treasury Regulation Section 301.7701-4(d).

(ii) In all circumstances, the Trustee shall act in the best interests of all Beneficiaries and in furtherance of the purpose of the Trust.

(iii) The Trustee shall liquate and convert to Cash the Liquidating Trust Assets in an expeditious but orderly manner, make timely Distributions, and not unduly prolong the duration of the Trust.

(iv) Any investments of the Cash portion of the Liquidating Trust Assets by the Trustee must be permitted investments for a liquidating trust within the meaning of Treasury Regulation Section 301.7701-4(d), or under applicable Internal Revenue Service guidelines, rulings, or other controlling authority.

4.03 Discretion. Subject to express provisions of this Agreement and the Plan, the Trustee shall have absolute discretion to pursue, or not pursue, any and all claims, rights, or causes of action, as it determines is in the best interests of the Beneficiaries and consistent with the purposes of the Trust, and shall not have liability for the outcome of his decisions. The Trustee may incur any reasonable and necessary expenses in liquidating and converting the Liquidating Trust Assets to Cash.

4.04 Retention of Professionals. The Trustee may retain and reasonably compensate counsel and other professionals to assist in his duties as Trustee on such terms as the Trustee deems appropriate without Bankruptcy Court approval. The Trustee may retain any professional who represented parties in interest in the Chapter 11 Cases. The Trustee shall be entitled to rely, in good faith, on the advice of his retained professionals.

4.05 Liability of Trustee and His or Her Agents. Neither the Trustee, nor the employees, professionals, agents, and representatives of the Trust or the Trustee (collectively the “Covered Persons”), shall be held liable for actions taken or omitted in its capacity as, or on behalf of, the Trust or Trustee, except those acts arising out of its or their own willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty, or *ultra vires* acts, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of its actions or inactions in its capacity as, or on behalf of, the Trust or Trustee, except for any actions or inactions involving willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty, or *ultra vires* acts. All Persons dealing with the Trustee shall look only to the Liquidating Trust Assets to satisfy any liability incurred by the Trustee in carrying out the terms of this Agreement, and, subject to the preceding portions of this section, none of the Covered Persons shall have any personal obligation to satisfy any such liability.

4.06 Compensation of the Trustee and Other Employees. The Trustee shall be compensated hourly at a rate of \$600.00 and shall be entitled to reimbursement of all reasonable expenses incurred by the Trustee in discharging his duties hereunder. The Trustee may pay his or her compensation and other costs and expenses of the Trust before approving or making any Distributions to the Beneficiaries.

4.07 Exculpation; Indemnification. All of the Covered Persons shall be, and hereby are, exculpated by all Persons, including the Beneficiaries, from any and all claims, causes of action and other assertions of liability arising out of the discharge of the powers and duties conferred upon them by the Plan, this Agreement, or any Order of the Bankruptcy Court entered pursuant to, or in furtherance of, the Plan, or by applicable law, except for actions or omissions that are determined by a Final Order to have arisen out of its or their own willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty, or *ultra vires* acts. No Person shall have, or be permitted to pursue, any claim or cause of action against any of the Covered Persons for making payments in accordance with the Plan, or for implementing any other provision of the Plan. To the fullest extent permitted by applicable law, the Trust shall (i) indemnify, defend, and hold harmless the Covered Persons from and against any and all losses, claims, damages, liabilities and expenses, including, without limitation, reasonable attorneys’ fees, disbursements and related expenses that the Covered Persons may incur or to which the Covered Persons may become subject in connection with any actions or inactions in their capacity as such, except for actions or inactions involving willful misconduct, gross negligence, bad faith, self-dealing,

breach of fiduciary duty, or *ultra vires* acts, and (ii) the Covered Persons shall be entitled to obtain advances from the Trust to cover their reasonable fees and expenses incurred in defending any such actions or inactions. The foregoing indemnity in respect of any Covered Person shall survive the termination of such Covered Person from the capacity for which they are indemnified.

4.08 Termination. The duties, responsibilities and powers of the Trustee shall terminate on the date the Trust is dissolved, provided that Sections 4.05-4.07 shall survive such termination and dissolution.

4.09 Resignation, Death, or Removal. The Trustee or any successor trustee may resign upon thirty (30) days' notice by an instrument in writing signed by the Trustee and filed with the Bankruptcy Court. The Trustee or any successor may be removed at any time with or without cause by the Bankruptcy Court. Any party in interest may apply to the Bankruptcy Court for an order removing the Trustee for cause, with the determination of cause left to the reasonable discretion of the Bankruptcy Court. In the event of the removal of the Trustee, the Trustee shall be entitled to immediate payment of all compensation earned through and including the effective date of such removal.

4.10 Successor Trustee. In the event of resignation, death, or removal, as provided herein; any party in interest, any professional for the Trustee, the Trustee, and/or the United States Trustee may seek to designate a successor trustee and the Bankruptcy Court shall appoint a successor trustee to perform the duties, functions, and obligations, and to exercise the rights and authority of Liquidating Trustee, as described in the Plan. Any successor to the initial Trustee shall execute an instrument accepting such appointment and shall file such acceptance with the Trust records and with the Bankruptcy Court.

ARTICLE V **DISTRIBUTIONS**

5.01 Distributions to Beneficiaries. The Trustee shall distribute Cash in accordance with the Liquidating Trust Agreement, beginning on the Effective Date or as soon thereafter as is practicable, from the Liquidating Trust Assets on hand (including any Cash received from the Debtor on the Effective Date), except such amounts (i) as would be distributable to a holder of a Disputed Claim if such Disputed Claim had been Allowed, prior to the time of such Distribution (but only until such Claim is resolved), (ii) as are reasonably necessary to meet contingent liabilities and to maintain the value of the Liquidating Trust Assets during litigation, (iii) to pay reasonable expenses (including, but not limited to, any taxes imposed on the Trust or in respect of the Liquidating Trust Assets), and (iv) to satisfy other liabilities incurred by the Trust in accordance with the Plan or this Agreement. The timing and amount of each Distribution by the Trustee shall be determined by the Trustee and shall be consistent with the terms set forth in the Plan, any applicable order of the Bankruptcy Court, and this Agreement.

5.02 Priority of Distribution of Liquidating Trust Assets. The Liquidating Trust, through the Liquidating Trustee, shall be responsible for distributing Liquidating Trust Assets, or the proceeds thereof, in the order of priority shown (other than the Escrowed Talos Shares, and the 2017 Chapter 11 Unsecured Creditor Reserve): (i) to satisfy outstanding Allowed but unpaid

Administrative Claims, including Allowed Professional Compensation Claims; (ii) Allowed Priority Non-Tax Claims, if any; then (iii) to satisfy outstanding Allowed General Unsecured Claims, if any. After the Escrowed Talos Shares are released to the Liquidating Trust, the Liquidating Trustee shall sell the Escrowed Talos Shares in a manner that maximizes their value. Upon the monetization of all the Escrowed Talos Shares, the proceeds shall be used first to fund the Funded Statutory P&A Obligation Escrow and Talos Settlement, and the remainder of such funds shall then constitute Liquidating Trust Assets which shall be distributed in accordance with the priorities set forth above. . The 2017 Chapter 11 Unsecured Creditor Reserve shall be distributed in accordance with further orders of the Bankruptcy Court, and to the extent that the Bankruptcy Court determines that such funds are not required to be distributed in accordance with the 2017 Chapter 11 Plan, such funds shall be distributed in accordance with the priorities set forth above.

For the avoidance of doubt, all expenses of the Liquidating Trust, including but not limited to Liquidating Trustee compensation and fees and expenses of professionals hired by the Liquidating Trustee and the performance of any Maintenance and Monitoring Obligations related to the Operated Properties (if any) incurred prior to the effect of transfer of such properties to Walter or Talos, shall be taxed against the gross proceeds of the Liquidating Trust Assets and shall be satisfied prior to any subsequent Distributions hereunder, provided, however, that all expenses related to the satisfaction or performance of the Funded Statutory P&A Obligations shall be taxed solely against the Funded Statutory P&A Obligation Escrow..

5.03 Administration of Distributions.

(i) Manner of Payment. At the option of the Trustee, any Cash payment to be made hereunder may be made by a check or wire transfer.

(ii) No Fractional Payments. Whenever a payment of a fraction of a dollar would otherwise be called for, the actual payment shall reflect a rounding down to the nearest whole dollar.

(iii) Unclaimed Distributions. In the event any Distribution to any Beneficiary is returned as undeliverable, the Trustee shall use commercially reasonable efforts to determine the current address of such Beneficiary. No additional Distribution shall be made to such Beneficiary until the Trustee has determined the then-current address of such Beneficiary, at which time the Distribution shall be made to such Beneficiary. At the expiration of two (2) years after the Effective Date, all undeliverable Distributions shall be deemed unclaimed property under Section 347(b) of the Bankruptcy Code, and the Claims of the Beneficiaries that may have been entitled to such Distribution shall be discharged and forever barred. After such date, all undeliverable Distributions shall revert to the Trust and shall be redistributed in accordance with this Agreement. The Trustee may, in an exercise of his business judgment, seek an order of the Bankruptcy Court deeming Distributions undeliverable prior to the expiration of two (2) years.

(iv) Abandonment. The Trustee may abandon, in any commercially reasonable manner, any property that the Trustee reasonably concludes is of no benefit to the Beneficiaries.

ARTICLE VI

DISSOLUTION OF TRUST

6.01 Dissolution. The Trust shall terminate upon the date on which all of the following events (each, a “Termination Condition,” and, collectively, the “Termination Conditions”) have occurred: (i) the dissolution of the Post-Effective Date Debtors pursuant to paragraph 3 of Article IV section C of the Plan; (ii) the Liquidating Trust Assets, including Causes of Action transferred and assigned to the Trust, are fully resolved, abandoned or liquidated in accordance with the Plan and this Agreement; (iii) all Cash has been completely distributed in accordance with the Plan and this Agreement; (iv) all tax returns and any other filings or reports have been filed with the appropriate state or federal regulatory authorities; and (v) the order closing the Chapter 11 Cases is a Final Order. Upon the occurrence of each of the foregoing events, the duties, responsibilities and powers of the Liquidating Trustee shall terminate, and the Liquidating Trustee shall be discharged. Except in the circumstances set forth below, the Liquidating Trustee shall dissolve the Trust in accordance with the provisions of this section no later than five (5) years after the Effective Date in accordance with applicable IRS revenue procedures.

The Bankruptcy Court may extend the term of the Trust one or more times (not to exceed a total of four extensions, unless the Liquidating Trustee receives a favorable ruling from the IRS that any further extension would not adversely affect the status of the Trust as a liquidating trust for federal income tax purposes) for a finite period upon a showing of good cause and based on the particular circumstance at issue. Each such extension must be approved by the Bankruptcy Court with notice thereof to all unpaid Liquidating Trust Beneficiaries.

Notwithstanding any other section of the Plan or this Agreement, it is the express intent that the Trust shall survive until each of the Termination Conditions have either occurred or be determined to be impracticable or impossible. To the extent that the Trust shall be deemed terminated pursuant to applicable law at any time prior to the occurrence of each Termination Condition, the Liquidating Trustee shall not be discharged, but shall have such “wind-up” powers, both express and implied, as are necessary to achieve all outstanding Termination Conditions, including, but, not limited to the authority to: (i) continue prosecuting any Causes of Action belonging to the Trust; (ii) continue Claim administration responsibilities set forth in Article VI section B paragraph 2 of the Plan; and (iii) distribute the Cash proceeds of the Liquidating Trust Assets in a manner consistent with this Agreement. In no event shall the Liquidating Trust Beneficiaries be entitled to receive in-kind distributions of the Liquidating Trust Assets.

6.02 Post-Dissolution. Upon Distribution of all the Liquidating Trust Assets, the Trustee shall retain the books, records and files that shall have been created by the Trustee, provided that at his or her sole discretion, all of such records and documents may be destroyed at any time following the date of final Distribution of Liquidating Trust Assets as the Trustee deems appropriate (unless the records and documents are necessary to fulfill the Trustee’s obligations pursuant to this Agreement).

ARTICLE VII

AMENDMENT AND WAIVER

7.01 Amendment; Waiver. The Trustee may amend, supplement, or waive any provision of this Agreement, without notice to or the consent of any Beneficiary or the approval of the Bankruptcy Court, in order to: (i) cure any nonmaterial or non-substantive ambiguity, omission, defect, or inconsistency in this Agreement; provided that such amendments, supplements or waivers shall not adversely affect the Distributions to any of the Beneficiaries or adversely affect the U.S. federal income status of the Trust as a “liquidating trust”; or (ii) comply with any requirements in connection with the U.S. federal income tax status of the Trust as a “liquidating trust.” Any substantive provision of this Agreement may be amended or waived by the Trustee, with the approval of the Bankruptcy Court; *provided, however*, that no change may be made to this Agreement that would (i) adversely affect (a) the Post-Effective Date Debtors (absent such Party or Parties’ consent), (b) the Distributions to any of the Beneficiaries, or (c) the U.S. federal income tax status of the Trust as a “liquidating trust” or (ii) expand, add to, or modify the original stated purpose of the Trust. Notwithstanding this section, any amendments to this Agreement shall not be inconsistent with the purpose and intention of the Trust to liquidate in an expeditious but orderly manner the Liquidating Trust Assets in accordance with Treasury Regulation Section 301.7701-4(d).

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.01 Intention to Establish Grantor Trust. This Agreement is intended to create a grantor trust for federal income tax purposes and, to the extent provided by law, shall be governed and construed in all respects as such a trust and any ambiguity herein shall be construed consistent with that intent, and, if necessary, this Agreement may be amended to comply with such federal income tax laws, which amendments may apply retroactively.

8.02 Laws as to Construction. Except as to formation of the Trust, which shall be deemed effective upon entry of the Confirmation Order, this Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to the rules governing the conflict of law which would require the application of the law of another jurisdiction. In the event of any conflict between the terms of this Agreement and the terms of the Plan or Confirmation Order, the terms of this Agreement shall govern.

8.03 Severability. If any provision of this Agreement or application thereof to any person or circumstance shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and such provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

8.04 Notices. Any notice of other communication hereunder shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if deposited, postage prepaid, in a post office box, or transmitted by telex, facsimile or other telegraphic means, or sent by a nationally recognized overnight delivery service, addressed to the person for whom such notice is intended

at the appropriate address set forth below, or such other address as may be provided to the other parties in writing.

If to the Post-Effective Date Debtors:

Castex Energy 2005 Holdco, LLC, *et al.*
Attn: Thomas Thompson
Seaport Global Securities LLC

600 Anton Blvd., Ste. 1700
Costa Mesa, CA 92626
Telephone: (646) 770-8279
Email: tthompson@seaportglobal.com

With copies to:

Stewart Robbins Brown & Altazan LLC
Attn: Paul D. Stewart, Jr.
Email: dstewart@stewartrobbins.com
Attn: Brandon A. Brown
Email: bbrown@stewartrobbins.com
Baton Rouge, LA 70801-0016
Telephone: (225) 231-9998
Facsimile: (225) 709-9467

If to the Trustee:

Mr. Thomas Thompson
Seaport Global Securities LLC
600 Anton Blvd., Suite 1700
Costa Mesa, CA 92626
Telephone: (646) 770-8279
Email: tthompson@seaportglobal.com

With copies to:

Stewart Robbins Brown & Altazan LLC
Attn: Paul D. Stewart, Jr.
Email: dstewart@stewartrobbins.com
Attn: Brandon A. Brown
Email: bbrown@stewartrobbins.com
Baton Rouge, LA 70801-0016
Telephone: (225) 231-9998
Facsimile: (225) 709-9467

8.05 Notices if to a Beneficiary. Subject to any transfer recognized by the Trustee as set forth in Section 3.06 of this Agreement, any notice or other communications hereunder shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if deposited, postage prepaid, in a post office box, or transmitted by telex, facsimile or other telegraphic means, or sent by a nationally recognized overnight delivery service, addressed to the person for whom such notice is intended to the name and address set forth in the case of a Beneficiary, on such Beneficiary's proof of claim, or if no proof of claim is filed, the address listed on the

Debtors' Schedules or as listed in any other notice filed with the Bankruptcy Court and, if applicable, the Trust or such other means reasonably calculated to appraise the Beneficiary.

8.06 Headings. The section headings contained herein are solely for convenience of reference and shall not affect the meaning or interpretation of this Agreement or any term or provision hereof.

8.07 Plan. The terms of this Agreement are intended to supplement the terms provided by the Plan and the Confirmation Order. However, in the event of any direct conflict or inconsistency between any provision of this Agreement, on the one hand, and the provisions of the Plan and the Confirmation Order, on the other hand, the provisions this Agreement shall govern and control.

10.08 Entire Agreement. This Agreement contains the entire agreement between the parties and supersedes all prior and contemporaneous agreements or understanding between the parties with respect to the subject matter hereof.

10.09 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument. A facsimile or electronic mail signature of any party shall be considered to have the same binding legal effect as an original signature.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have either executed and acknowledged this Agreement or caused it to be executed and acknowledged on their behalf by their duly authorized officers all as of the date first written above.

CASTEX ENERGY 2005 HOLDCO, LLC
CASTEX ENERGY 2005, LLC
CASTEX ENERGY PARTNERS, LLC
CASTEX OFFSHORE, INC.

Signature: _____

Name: Douglas J. Brickley

As its: Chief Restructuring Officer

Thomas Thompson, Trustee

Signature: _____

IN WITNESS WHEREOF, the parties hereto have either executed and acknowledged this Agreement or caused it to be executed and acknowledged on their behalf by their duly authorized officers all as of the date first written above.

CASTEX ENERGY 2005 HOLDCO, LLC
CASTEX ENERGY 2005, LLC
CASTEX ENERGY PARTNERS, LLC
CASTEX OFFSHORE, INC.

Signature: _____

Name: Douglas J. Brickley

As its: Chief Restructuring Officer

Thomas Thompson, Trustee

Signature: _____

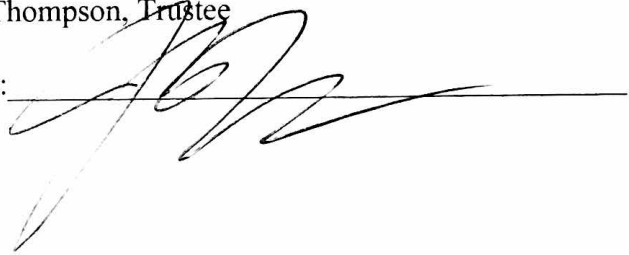
A handwritten signature in black ink, appearing to be 'T. Thompson', written over a horizontal line.

Exhibit B

Sources and Uses

CASTEX ENERGY 2005 HOLDCO, LLC, et al.,

Case No. 21-30710

Liquidating Trust: Sources/Uses as of Effective Date (June 30, 2021) Notes

- 1) Ending cash balance as of 6/30, per 13-Week Cash Flow, includes Talos stipulation funds as well as the outflow of post-petition expenses captured in W.E. 7/4. Ending cash balance is reduced by \$161,965 in suspended partner revenue.
- 2) Schooner Oil & Gas retainer of \$385,000 (additional \$385K deposit will be disbursed to Schooner as a termination fee) will be released to the liquidating trust.
- 3) Settlement has been reached between Castex/CEI and funds will be turned over to the debtor on or before five days after the effective date.
- 4) Estimated accrued and unpaid non-professional administrative claims that were incurred during the Ch. 11 bankruptcy.
- 5) Professional fees, which consists of all unpaid, accrued professional fees in the Ch. 11 bankruptcy of approximately \$1.23M, will be netted against the professional retainers listed below.
 - The Claro Group: \$170,000
 - Okin Adams: \$130,039
 - Thompson & Knight: \$100,000
 - Donlin Recano: \$50,000
 - Willkie Farr & Gallagher: \$19,510.67
- 6) Liquidating Trust Cash Reserve means up to \$1,750,000 in Cash, which shall be funded from the Debtors' Cash or other working capital.
- 7) Upon receipt of the settlement funds from CEI, the Liquidating Trustee will remit to the Lenders as the Secured Cash Amount all cash in excess of \$1.75 million.

CASTEX ENERGY 2005 HOLDCO, LLC, et al.,**Case No. 21-30710***Liquidating Trust: Sources/Uses as of Effective Date (June 30, 2021)*

	<u>Notes</u>	<u>Amount</u>
SOURCES		
Ending Cash Balance as of 6/30	[1]	\$ 1,128,298
Schooner O&G - Returned Deposit	[2]	\$ 385,000
CEI Settlement	[3]	\$ 1,430,000
TOTAL SOURCES		\$ 2,943,298
USES		
Accrued/Unpaid Non-Prof. Admin Claims (e.g., Logistics/Freight)	[4]	\$ 45,000
Ch. 11 Professional Fees Escrow Amount	[5]	\$ 761,557
Liquidating Trust Cash Reserve	[6]	\$ 1,750,000
Estimated Secured Cash Amount	[7]	\$ 386,740
TOTAL USES		\$ 2,943,298

CASTEX ENERGY 2005 HOLDCO, LLC

Case No. 21-30710

Ch. 11 Professional Fees Escrow Amount

Ch. 11 Professional Fees Escrow Amount

	<u>Projected Payments</u> ^[1]	<u>Holdbacks (thru 6/30)</u> ^[2]	<u>Overages (thru 6/30)</u> ^[3]	<u>Retainer Held</u>	<u>Ch. 11 Professional Fees Escrow Amount</u>
The Claro Group	\$ 100,000	\$ 56,836	\$ 163,023	\$ (170,000)	\$ 149,859
Okin Adams	\$ 105,447	\$ 106,957	\$ 27,635	\$ (130,039)	\$ 110,000
Thompson & Knight	\$ 175,000	\$ -	\$ -	\$ (100,000)	\$ 75,000
Wright Close & Barger	\$ 12,258	\$ -	\$ -	\$ -	\$ 12,258
Baker Hostetler	\$ 5,213	\$ -	\$ -	\$ -	\$ 5,213
Professional Fees - UCC	\$ 80,000	\$ 49,297	\$ 103,340	\$ -	\$ 232,637
King & Spalding ^[4]	\$ -	\$ -	\$ -	\$ -	\$ -
Willkie Farr	\$ 97,021	\$ -	\$ -	\$ (19,511)	\$ 77,510
Kirkland & Ellis LLP	\$ 87,534	\$ -	\$ -	\$ -	\$ 87,534
Donlin Recano	\$ 10,000	\$ -	\$ -	\$ (50,000)	\$ (40,000)
US Trustee	\$ 51,547	\$ -	\$ -	\$ -	\$ 51,547
Total	\$ 724,019	\$ 213,090	\$ 293,998	\$ (469,550)	\$ 761,557

Notes

1) Projected Payments to be made out of the escrow account and include estimated payment requests and associated holdbacks.

2) Holdbacks associated with submitted monthly fee statements that occurred post-petition thru 6/30.

3) Overages associated with submitted submitted monthly fee statements, that occurred post-petition thru 6/30, that included fees in excess of the accrued budgeted amount in any applicable timeframe.

4) King and Spalding's budget is capped at \$350,000. Total invoices against budgeted accrued amounts include overages of \$236,274 of which \$86,274 will not be paid.