

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

<b>In re:</b>	§	
	§	
<b>PARADOX RESOURCES, LLC, <i>et al.</i>,</b>	§	<b>Case No. 23-90558</b>
	§	
<b>Debtors.<sup>1</sup></b>	§	<b>Chapter 11</b>
	§	
	§	<b>(Jointly Administered)</b>

**NOTICE OF CANCELLATION OF AUCTION**  
**(Relates to ECF #s 207 and 274)**

**PLEASE TAKE NOTICE** that on July 25, 2023, Paradox Resources, LLC, *et al.*, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed with the Court their *Emergency Motion for (a) Entry of an Order (i) Approving Bidding Procedures, (ii) Approving Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (iii) Approving Stalking Horse Protections, (iv) Scheduling Bid Deadline, Auction Date and Sale Hearing Date, and (v) Approving Form of Notice Thereof; (b) Entry of an Order After the Sale Hearing (i) Authorizing the Debtors to Sell Their Assets, and (ii) Authorizing the Debtors to Assume and Assign Certain Executory Contracts and Unexpired Leases; and (c) Granting Related Relief* [ECF # 180] (the “Sale Motion”).<sup>2</sup>

**PLEASE TAKE FURTHER NOTICE** that on July 31, 2023, the Court entered its *Order (I) Approving Bidding Procedures in Connection with the Sale of Substantially All Assets, (II) Approving Procedures Related to the Assumption and Assignment of Certain Executory Contracts*

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<sup>1</sup> The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Paradox Resources, LLC (7152); Paradox Midstream, LLC (2127); Paradox Upstream, LLC (0256); Capital Commercial Development, Inc. (3124); Neuhaus Barrett Investments, LLC (5529); Four Corners Energy, LLC (8159); and Four Corners Pipeline, LLC (8748). The Debtors’ service address is: 500 Dallas Street, Suite 1600, Houston, Texas 77002.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Sale Motion or Bidding Procedures Order, as applicable.

*and Unexpired Leases, (III) Scheduling Bid Deadline, Auction Date, and Sale Hearing Date, and (IV) Approving the Form and Manner of Notice Thereof* [ECF # 207] (the “Bidding Procedures Order”)<sup>3</sup> which, among other things, approved the Bidding Procedures, and established various dates for the Bid Deadline, Auction, and Sale Hearing.

**PLEASE TAKE FURTHER NOTICE** that the Debtors, in their discretion and in consultation with the Consultation Parties, determined that the Bids submitted by the Bid Deadline failed to meet the requirements of the Bidding Procedures. *See* Bidding Procedures, ¶ 15 (The Debtors shall have discretion to determine with a Bid is a Qualified Bid). Accordingly, no Qualified Bids were received by the Debtors, and the Auction scheduled for October 2, 2023 at 10:00 a.m. (prevailing Central Time) is hereby cancelled.

**PLEASE TAKE FURTHER NOTICE** that the Debtors continue to negotiate with Potential Bidders regarding the terms of Bids that would be acceptable to the Debtors, in consultation with the Consultation Parties. If an agreement is reached, the Debtors will file a notice of the terms of the agreement on the Court’s docket and seek approval of the sale at the Sale Hearing, or such other date as the Court’s calendar permits.

*[Remainder of Page Intentionally Left Blank]*

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<sup>3</sup> As further amended, modified and supplemented pursuant to the Court’s *Order (I) Modifying Bidding Procedures; (II) Continuing Sale Hearing; and (III) Granting Related Relief* [ECF # 274].

Respectfully submitted this 1st day of October, 2023.

**OKIN ADAMS BARTLETT CURRY LLP**

By: /s/ Matthew S. Okin  
Matthew S. Okin  
Texas Bar No. 00784695  
Email: [mokin@okinadams.com](mailto:mokin@okinadams.com)  
David L. Curry, Jr.  
Texas Bar No. 24065107  
Email: [dcurry@okinadams.com](mailto:dcurry@okinadams.com)  
Ryan A. O'Connor  
Texas Bar No. 24098190  
Email: [roconnor@okinadams.com](mailto:roconnor@okinadams.com)  
1113 Vine St., Suite 240  
Houston, Texas 77002  
Tel: 713.228.4100  
Fax: 346.247.7158

**ATTORNEYS FOR THE DEBTORS**

**CERTIFICATE OF SERVICE**

I hereby certify that on October 1, 2023, 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