

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

| | | |
|--------------------------|---|-------------------|
| In re: | § | |
| | § | |
| Armada Midcontinent, Llc | § | Case No. 15-41557 |
| | § | |
| Debtor | § | |

TRUSTEE'S FINAL REPORT (TFR)

The undersigned trustee hereby makes this Final Report and states as follows:

1. A petition under chapter 7 of the United States Bankruptcy Code was filed on 08/28/2015 . The undersigned trustee was appointed on 08/28/2015 .
2. The trustee faithfully and properly fulfilled the duties enumerated in 11 U.S.C. §704.
3. All scheduled and known assets of the estate have been reduced to cash, released to the debtor as exempt property pursuant to 11 U.S.C. § 522, or have been or will be abandoned pursuant to 11 U.S.C. § 554. An individual estate property record and report showing the disposition of all property of the estate is attached as **Exhibit A**.

4. The trustee realized gross receipts of \$ 267,043.27

Funds were disbursed in the following amounts:

| | |
|--|--------------|
| Payments made under an interim disbursement | 0.00 |
| Administrative expenses | 72,043.27 |
| Bank service fees | 0.00 |
| Other payments to creditors | 175,000.00 |
| Non-estate funds paid to 3 rd Parties | 0.00 |
| Exemptions paid to the debtor | 0.00 |
| Other payments to the debtor | 0.00 |
| Leaving a balance on hand of ¹ | \$ 20,000.00 |

The remaining funds are available for distribution.

¹The balance of funds on hand in the estate may continue to earn interest until disbursed. The interest earned prior to disbursement will be distributed pro rata to creditors within each priority category. The trustee may receive additional compensation not to exceed the maximum compensation set forth under 11 U.S.C. §326(a) on account of the disbursement of the additional interest.

5. Attached as **Exhibit B** is a cash receipts and disbursements record for each estate bank account.

6. The deadline for filing non-governmental claims in this case is 2/11/16 and the deadline for filing governmental claims is 5/11/16. All claims of each class which will receive a distribution have been examined and any objections to the allowance of claims have been resolved. If applicable, a claims analysis, explaining why payment on any claims is not being made, is attached as **Exhibit C**.

7. The Trustee's proposed distribution is attached as **Exhibit D**.

8. Pursuant to 11 U.S.C. § 326(a), the maximum compensation allowable to the trustee is \$20,000.00. To the extent that additional interest is earned before case closing, the maximum compensation may increase. (If all funds have been processed through the trustee's trust account actual fees would of been \$130,879.80.)

9. The trustee has received \$0.00 as interim compensation and now requests a sum of \$20,000.00 for a total compensation of \$20,000.00. This amount is a flat fee agreed upon by the trustee and the only creditor, Prosperity Bank. The only asset in this case was a 100% Working Interest in Oil and gas leasehold and producing wells in Woodson County, Kansas and the equipment and oil associated with that oil field.

Prosperity Bank is the only creditor in this case. They filed a Proof of Claim for \$3,484,895.66. The bank wanted a quick turnaround on the sale of the leases and requested the trustee facilitate that sale for a flat fee of \$20,000.00 plus they agreed to pay all of her attorney fees and expenses. After discussion with the U.S. Trustee and no objection from their office and realizing this was in the best interest of this case and would reduce the bank's claim in companion cases the trustee moved forward with the sale.

Prosperity Bank provided Interim Financing so that the trustee was able to secure insurance, keep electricity to the wells and pay a grounds keeper to secure the area. The asset was sold for \$3,500,000.00. Of that amount \$175,000 was sent to the trustee and she immediately wire transferred it to Prosperity Bank and the sale proceeds of \$3,320,616.82 went directly to Prosperity Bank without entering the trustee's trust account.

Pursuant to Fed R Bank P 5009, I hereby certify, under penalty of perjury that the foregoing report is true and correct.

Dated: 1/15/2016

BY: /s/ Linda S. Payne, Trustee

**FORM 1
INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT
ASSET CASES**

Exhibit A

Case No: 15-41557 BTR Judge: Brenda T. Rhoades Trustee Name: LINDA PAYNE, TRUSTEE
 Case Name: Armada Midcontinent, Llc Date Filed (f) or Converted (c): 08/28/2015 (f)
 341(a) Meeting Date: 10/05/2015
 For Period Ending: 01/15/2016 Claims Bar Date: 02/11/2016

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|------------------------------------|--|---|---|---|
| Asset Description (Scheduled and Unscheduled (u) Property) | Petition/ Unscheduled Values | Est Net Value (Value Determined by Trustee, Less Liens, Exemptions, and Other Costs) | Property Formally Abandoned OA=554(a) | Sale/Funds Received by the Estate | Asset Fully Administered (FA)/ Gross Value of Remaining Assets |
| 1. 100% Working Interest In Oil And Gas Leasehold And Producing | 3,500,000.00 | 3,500,000.00 | | 175,000.00 | FA |
| 2. Bank Account Prosperity 9865 | 11.27 | 0.00 | | 0.00 | FA |
| 3. Payment from Maclaskey Oilfield Services | Unknown | 0.00 | | 0.00 | FA |
| 4. Oilfield Equipment | 50,000.00 | 0.00 | | 0.00 | FA |
| 5. Insurance Refund | 0.00 | 0.00 | | 20,703.99 | FA |

| | | | | | |
|-----------------------------------|----------------|----------------|--|--|--------|
| TOTALS (Excluding Unknown Values) | \$3,550,011.27 | \$3,500,000.00 | | \$195,703.99 | \$0.00 |
| | | | | Gross Value of Remaining Assets (Total Dollar Amount in Column 6) | |

Major activities affecting case closing which are not reflected above, and matters pending, date of hearing or sale, and other action:

- RE PROP # 2 -- Prosperity has a lien
- RE PROP # 3 -- Check with Maclaskey Oilfield Services.
Funds were deposited into debtor's bank account at Prosperity Bank.
- RE PROP # 4 -- Sold with oil field. All proceeds were to Prosperity Bank per court order.

Initial Projected Date of Final Report (TFR): 08/01/2016 Current Projected Date of Final Report (TFR): 08/01/2016

FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 15-41557
Case Name: Armada Midcontinent, Llc

Trustee Name: LINDA PAYNE, TRUSTEE
Bank Name: First National Bank of Vinita
Account Number/CD#: XXXXXX2562
Checking Account

Exhibit B

Taxpayer ID No: XX-XXX2189
For Period Ending: 01/15/2016

Blanket Bond (per case limit): \$300,000.00
Separate Bond (if applicable):

| 1 | 2 | 3 | 4 | | 5 | 6 | 7 |
|------------------|--------------------|---|---|--------------------|---------------|--------------------|-------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account/CD Balance (\$) |
| 09/30/15 | | Prosperity Bank | Deposit to pay pumper | 1290-000 | \$1,800.00 | | \$1,800.00 |
| 09/30/15 | 101 | Splechter, Tom 115 N. Fry Street Yates Center, KS 66783 | Payment through Sept 25th | 2690-000 | | \$1,800.00 | \$0.00 |
| 10/08/15 | | Prosperity Bank | Transfer for Insurance | 1290-000 | \$21,794.00 | | \$21,794.00 |
| 10/08/15 | 102 | Ellsworth Corporation | Insurance Premium | 2690-000 | | \$21,794.00 | \$0.00 |
| 10/13/15 | | Prosperity Bank | Transfer for Tom payment for work and expenses reported from 9/25 thru 10/11 | 1290-000 | \$1,803.34 | | \$1,803.34 |
| 10/14/15 | | Prosperity Bank | Transfer for Insurance | 1290-000 | \$1,070.09 | | \$2,873.43 |
| 10/14/15 | | Prosperity Bank | Transfer for electric bill | 1290-000 | \$69.31 | | \$2,942.74 |
| 10/15/15 | 103 | Splechter, Tom 115 N. Fry Street Yates Center, KS 66783 | Pay Period Ending October 11, 2015 | 2690-000 | | \$1,803.34 | \$1,139.40 |
| 10/15/15 | 104 | Lyon-Coffey Electric Cooperative, Inc. PO Box 229 Burlington, KS 66839-0229 | Electric Bill Acct #6243703 | 2690-000 | | \$69.31 | \$1,070.09 |
| 10/15/15 | 105 | Ellsworth Corporation | Insurance Premium | 2690-000 | | \$631.57 | \$438.52 |
| 10/28/15 | 106 | Splechter, Tom 115 N. Fry Street Yates Center, KS 66783 | Pay Period Ending October 25, 2015 Reversal Amount incorrect (ts) | 2690-000 | | (\$1,803.34) | \$2,241.86 |
| 10/28/15 | | PROSPERITY BANK | Transfer for Tom | 1290-000 | \$1,205.00 | | \$3,446.86 |
| 10/28/15 | 106 | Splechter, Tom 115 N. Fry Street Yates Center, KS 66783 | Pay Period Ending October 25, 2015 | 2690-000 | | \$1,803.34 | \$1,643.52 |
| 10/28/15 | 107 | Splechter, Tom 115 N. Fry Street Yates Center, KS 66783 | For Period Ending October 25, 2015 | 2690-000 | | \$1,205.00 | \$438.52 |

**FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Case No: 15-41557
Case Name: Armada Midcontinent, Llc

Trustee Name: LINDA PAYNE, TRUSTEE
Bank Name: First National Bank of Vinita
Account Number/CD#: XXXXXX2562
Checking Account

Exhibit B

Taxpayer ID No: XX-XXX2189
For Period Ending: 01/15/2016

Blanket Bond (per case limit): \$300,000.00
Separate Bond (if applicable):

| 1 | 2 | 3 | 4 | | 5 | 6 | 7 |
|------------------|--------------------|---|--|--------------------|---------------|--------------------|-------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account/CD Balance (\$) |
| 11/02/15 | 1 | John Galemore | Down payment | 1110-000 | \$175,000.00 | | \$175,438.52 |
| 11/09/15 | | Properity Bank | Funds for Pumper and Electric | 1290-000 | \$1,463.88 | | \$176,902.40 |
| 11/09/15 | 108 | Splechter, Tom 115 N. Fry Street Yates Center, KS 66783 | Work from Oct 26 through Nov 3 | 2690-000 | | \$762.00 | \$176,140.40 |
| 11/09/15 | 109 | Electric Cooperation, Lynn Coffey 1013 N. 4th Street PO Box 229 Burlington, KS 66839 | Electric through Sept 30 | 2690-000 | | \$701.88 | \$175,438.52 |
| 11/12/15 | | Properity Bank | Court ordered reimbursement | 4110-000 | | \$175,000.00 | \$438.52 |
| 11/13/15 | | Prosperity Bank | Advance for Electric Bill | 1290-000 | \$258.31 | | \$696.83 |
| 11/13/15 | 110 | Electric Cooperation, Lynn Coffey 1013 N. 4th Street PO Box 229 Burlington, KS 66839 | Final note payment | 2690-000 | | \$696.83 | \$0.00 |
| 12/21/15 | | Prosperity Bank | Funds for Trustee and Attorney fees | 1290-000 | \$41,875.35 | | \$41,875.35 |
| 01/04/16 | 5 | ERllsworth Corp | Insurance refund | 1229-000 | \$20,703.99 | | \$62,579.34 |
| 01/04/16 | 111 | PAYNE, BILL 12770 Coit Road Suite 541 Banner Place Dallas, TX 75251 | Court approved fees | | | \$21,875.35 | \$40,703.99 |
| | | PAYNE, BILL | (\$21,355.00) | 3110-000 | | | |
| | | PAYNE, BILL | (\$520.35) | 3120-000 | | | |
| 01/07/16 | 112 | Bank, Prosperity ATTN: Alan Greenfield 1330 S. Harvard Ave Tulsa, OK 74112 | Insurance reimbursement Reversal Misspelled name | 2420-000 | | (\$20,703.99) | \$61,407.98 |

**FORM 2
ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD**

Case No: 15-41557
Case Name: Armada Midcontinent, Llc

Trustee Name: LINDA PAYNE, TRUSTEE
Bank Name: First National Bank of Vinita
Account Number/CD#: XXXXXX2562
Checking Account

Exhibit B

Taxpayer ID No: XX-XXX2189
For Period Ending: 01/15/2016

Blanket Bond (per case limit): \$300,000.00
Separate Bond (if applicable):

| 1 | 2 | 3 | 4 | | 5 | 6 | 7 |
|------------------|--------------------|---|------------------------------------|--------------------|---------------|--------------------|-------------------------|
| Transaction Date | Check or Reference | Paid To / Received From | Description of Transaction | Uniform Tran. Code | Deposits (\$) | Disbursements (\$) | Account/CD Balance (\$) |
| 01/07/16 | 112 | Bank, Prosperity ATTN: Alan Greenfield 1330 S. Harvard Ave Tulsa, OK 74112 | Insurance reimbursement | 2420-000 | | \$20,703.99 | \$40,703.99 |
| 01/07/16 | 113 | Prosperity Bank ATTN: Alan Greenfield 1330 S. Harvard Ave Tulsa, OK 74112 | Reimbursement of insurance premium | 2420-000 | | \$20,703.99 | \$20,000.00 |

| | | |
|---------------------------|--------------|--------------|
| COLUMN TOTALS | \$267,043.27 | \$247,043.27 |
| Less: Bank Transfers/CD's | \$0.00 | \$0.00 |
| Subtotal | \$267,043.27 | \$247,043.27 |
| Less: Payments to Debtors | \$0.00 | \$0.00 |
| Net | \$267,043.27 | \$247,043.27 |

Exhibit B

TOTAL OF ALL ACCOUNTS

| | NET DEPOSITS | NET DISBURSEMENTS | ACCOUNT BALANCE |
|-------------------------------|--|-------------------|---------------------|
| XXXXXX2562 - Checking Account | \$267,043.27 | \$247,043.27 | \$20,000.00 |
| | ----- | ----- | ----- |
| | \$267,043.27 | \$247,043.27 | \$20,000.00 |
| | (Excludes account transfers) (Excludes payments to debtors) | | Total Funds on Hand |
| Total Allocation Receipts: | \$0.00 | | |
| Total Net Deposits: | \$267,043.27 | | |
| Total Gross Receipts: | \$267,043.27 | | |

Exhibit C
ANALYSIS OF CLAIMS REGISTER

Case Number: 15-41557

Date: January 15, 2016

Debtor Name: Armada Midcontinent, Llc

Claims Bar Date: 2/11/2016

| Code # | Creditor Name And Address | Claim Class | Notes | Scheduled | Claimed | Allowed |
|--------------------|--|----------------|---|-----------|-------------|-------------|
| 99 8500 | Prosperity Bank ATTN: Alan Greenfield 1330 S. Harvard Ave Tulsa, OK 74112 | Administrative | Prosperity Bank forwarded trustee funds to pay for insurance on the property. This payment represents the refund from the insurance company after the insurance was cancelled due to the sale of the asset. | \$0.00 | \$20,703.99 | \$20,703.99 |
| 100 2100 | LINDA PAYNE 12770 Coit Road Dallas, TX 75251 | Administrative | Agreed to Flat Fee for Trustee from Prosperity Bank | \$0.00 | \$20,000.00 | \$20,000.00 |
| 100 2200 | LINDA PAYNE 12770 Coit Road Dallas, TX 75251 | Administrative | No expenses to be reimbursed | \$0.00 | \$0.00 | \$0.00 |
| 500 100 2420 | Prosperity Bank ATTN: Alan Greenfield 1330 S. Harvard Ave Tulsa, OK 74112 | Administrative | This check was voided due to the misspelling of Alan Greenfield. | \$0.00 | \$20,703.99 | \$20,703.99 |
| 100 2690 | Ellsworth Corporation PO Box 8210 Metairie, LA 70011-8210 | Administrative | Insurance for the oil field. Prosperity Bank forwarded the funds to the trustee for payment. See payment to Prosperity Bank, it represents the refund after the insurance was cancelled. | \$0.00 | \$22,425.57 | \$22,425.57 |
| 100 2690 | Lynn Coffey Electric Cooperation 1013 N. 4th Street PO Box 229 Burlington, KS 66839 | Administrative | Prosperity Bank forwarded the funds to the trustee to pay the electrical bill on the oil field. | \$0.00 | \$1,468.02 | \$1,468.02 |
| 100 2690 | Tom Splechter 115 N. Fry Street Yates Center, KS 66783 | Administrative | Prosperity Bank forwarded the funds to the trustee to pay Tom Splechter, the handyman/grounds keeper at the field in Kansas. | \$0.00 | \$5,570.34 | \$5,570.34 |
| 100 3110 | BILL PAYNE 12770 Coit Road Suite 541 Banner Place Dallas, TX 75251 | Administrative | Court approved payment of Trustee attorney Fees | \$0.00 | \$21,355.00 | \$21,355.00 |

Exhibit C
ANALYSIS OF CLAIMS REGISTER

Case Number: 15-41557

Date: January 15, 2016

Debtor Name: Armada Midcontinent, Llc

Claims Bar Date: 2/11/2016

| | Creditor Name And Address | Claim Class | Notes | Scheduled | Claimed | Allowed |
|-------------|--|----------------|---|-----------|--------------|--------------|
| 100 | BILL PAYNE 12770 Coit Road | Administrative | | \$0.00 | \$520.35 | \$520.35 |
| 3120 | Suite 541 Banner Place Dallas, TX 75251 | | Court approved payment of Trustee Attorney expenses | | | |
| Case Totals | | | | \$0.00 | \$112,747.26 | \$112,747.26 |

Code#: Trustee's Claim Number, Priority Code, Claim Type (UTC)

TRUSTEE'S PROPOSED DISTRIBUTION

Exhibit D

Case No.: 15-41557

Case Name: Armada Midcontinent, Llc

Trustee Name: LINDA PAYNE, TRUSTEE

Balance on hand \$ 20,000.00

Claims of secured creditors will be paid as follows:

NONE

Applications for chapter 7 fees and administrative expenses have been filed as follows:

| Reason/Applicant | Total Requested | Interim Payments to Date | Proposed Payment |
|--|-----------------|-----------------------------|---------------------|
| Trustee Fees: LINDA PAYNE | \$ 15,566.96 | \$ 0.00 | \$ 20,000.00 |
| Attorney for Trustee Fees: BILL PAYNE | \$ 21,355.00 | \$ 21,355.00 | \$ 0.00 |
| Attorney for Trustee Expenses: BILL PAYNE | \$ 520.35 | \$ 520.35 | \$ 0.00 |
| Other: Ellsworth Corporation | \$ 22,425.57 | \$ 22,425.57 | \$ 0.00 |
| Other: Lynn Coffey Electric Cooperation | \$ 1,468.02 | \$ 1,468.02 | \$ 0.00 |
| Other: Prosperity Bank | \$ 20,703.99 | \$ 20,703.99 | \$ 0.00 |
| Other: Tom Splechter | \$ 5,570.34 | \$ 5,570.34 | \$ 0.00 |

Total to be paid for chapter 7 administrative expenses \$ 20,000.00

Remaining Balance \$ 0.00

Applications for prior chapter fees and administrative expenses have been filed as follows:

NONE

In addition to the expenses of administration listed above as may be allowed by the Court, priority claims totaling \$ 0.00 must be paid in advance of any dividend to general (unsecured) creditors.

Allowed priority claims are:

NONE

The actual distribution to wage claimants included above, if any, will be the proposed payment less applicable withholding taxes (which will be remitted to the appropriate taxing authorities).

Timely claims of general (unsecured) creditors totaling \$ 0.00 have been allowed and will be paid pro rata only after all allowed administrative and priority claims have been paid in full. The timely allowed general (unsecured) dividend is anticipated to be 0.0 percent, plus interest (if applicable).

Timely allowed general (unsecured) claims are as follows:

NONE

Tardily filed claims of general (unsecured) creditors totaling \$ 0.00 have been allowed and will be paid pro rata only after all allowed administrative, priority and timely filed general (unsecured) claims have been paid in full. The tardily filed claim dividend is anticipated to be 0.0 percent.

Tardily filed general (unsecured) claims are as follows:

NONE

Subordinated unsecured claims for fines, penalties, forfeitures, or damages and claims ordered subordinated by the Court totaling \$ 0.00 have been allowed and will be paid pro rata only after all allowed administrative, priority and general (unsecured) claims have been paid in full. The dividend for subordinated unsecured claims is anticipated to be 0.0 percent.

Subordinated unsecured claims for fines, penalties, forfeitures or damages and claims ordered subordinated by the Court are as follows:

NONE