

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

IN RE: LUCA INTERNATIONAL GROUP LLC¹ Debtors	§ § § § § § §	Chapter 11 CASE NO. 15-34221-H2-11 Joint Administration Pending Judge David R. Jones
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**APPLICATION TO EMPLOY
CHIEF RESTRUCTURING OFFICER**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Luca International Group, LLC (“LIG”), Luca International Group (Texas) LLC (“LIGTX”), Luca Operation, LLC (“LOL”), Luca Barnet Shale Joint Venture, LLC (“LBSJV”), Luca Energy Fund LLC (“LEF”), Luca Energy Resources, LLC (“LER”), Luca Resources Group, LLC (“LRG”), Luca I, LP (“Luca I”), Luca II, LP (“Luca II”), Luca Oil, LLC (“Luca Oil”), Luca To-Kalon Energy, LLC (“LTKE”), and Luca Oil II Joint Venture (collectively “Debtors”), file this Application to Employ Loretta Cross and Stout Risius Ross, Inc. as Chief Restructuring Officer and Financial Advisor (the “Application”), and, in support thereof, would respectfully show unto the Court the following:

A. JURISDICTION

1. This Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334. This matter constitutes a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A) and (O).

B. VENUE

¹ The Debtors in these cases, along with the last four digits of their respective taxpayer ID numbers, are Luca International Group LLC (1086), Luca Operation, LLC (0343), Luca International Group (Texas) LLC (5577), Luca Barnet Shale Joint Venture, LLC (5340), Luca Energy Fund LLC (0677), Luca Energy Resources, LLC (0000), Luca Resources Group, LLC (1699), Luca I, LP (4104), Luca II, LP, (9778), Luca Oil, LLC (8161), Luca To-Kalon Energy LLC (3922), Luca Oil II Joint Venture (6604).

2. Venue is proper in this district pursuant to 28 U.S.C. § 1408(1) & (2) because the Debtors' principal places of business have been located in this district for more than 180 days preceding the filing of these bankruptcy cases.

C. BACKGROUND

3. The above captioned bankruptcy cases were each filed on August 6, 2015 (collectively "Petition Date") under Chapter 11 of Title 11 of the Bankruptcy Code, 11 U.S.C. §§101 *et seq.* (the "Bankruptcy Code"). The Debtors continue to manage their property as debtors-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. A Motion seeking joint administration of these cases was filed on August 6, 2015 (Docket #2) and remains pending before the Court.

4. No trustee or examiner has been appointed in the Debtors' bankruptcy cases and no official committee of unsecured creditors has been established.

5. A detailed factual background of the Debtors' business and operations, as well as the commencement of these Chapter 11 cases, is more fully set forth in the *Affidavit of Loretta R. Cross in Support of the Debtors' Chapter 11 Petitions and Requests for First-Day Relief* filed contemporaneously herewith and incorporated herein by reference. A brief summary of the factual background is listed below.

6. The Debtors are engaged in the exploration and production of natural gas, petroleum and related hydrocarbons. Bingqing Yang ("Yang") is the sole member for Debtors. Debtors obtained money from investors that was placed into various entities that were utilized in the operations of other entities.

7. LOL has a draft reserve report that was prepared in March by Gustavson Associates. The reserve report indicates that LOL has proved developed non-producing and

proved behind pipe net reserves of approximately 3.2 billion cubic feet of gas and 450 million barrels of oil. The reserve report did not address proved undeveloped, probable or possible reserves.

8. On July 6, 2015, under Case No. 15-cv-03101, the Securities and Exchange Commission (“SEC”) filed a lawsuit against several LUCA entities, including the Debtors, other Debtor affiliates, Yang and certain other individuals in the United States District Court of the Northern District of California, San Francisco Division (“SEC lawsuit”). The SEC lawsuit alleged securities fraud against the defendants for a scheme targeting the Chinese American community as well as investors in Asia to invest in the various unregistered offerings. There are SEC allegations of funds being used for Bingqing Yang’s personal expense. The SEC has sought the appointment of a receiver, and this matter remains pending.

9. In order to restore credibility to the operation, the Debtors, pursuant to various consents executed by Yang, retained Loretta R. Cross of Stout Risius Ross, Inc. as Chief Restructuring Officer (the “CRO”) of the Debtors with full authority to operate the Debtors. Ms. Cross has served in that capacity since July 16, 2015.

D. APPLICATION TO EMPLOY CHIEF RESTRUCTURING OFFICER

10. Pursuant to §327 of the Bankruptcy Code and Rule 2014 of the Federal Rules of Bankruptcy Procedure, Debtors seeks Court approval of its engagement of Loretta R. Cross to act as the chief restructuring officer (“CRO”) for Debtors.

11. Debtors, through its manager, Bingqing Yang, believes that it would be in the best interest of the Debtors and its estate to appoint Loretta R. Cross to act as Debtors’ CRO in connection with the handling of Debtors’ chapter 11 cases. Ms. Cross has substantial experience with, and has specialized in matters relating to insolvency, reorganization, oil and gas and

turnaround management. In addition, Ms. Cross has the experience and expertise necessary to formulate and implement a sale of the Debtors assets and/or a plan of reorganization sufficient to address the claims of creditors and investors. A copy of Ms. Cross' resume is attached as Exhibit "A".

12. Debtors' decision to appoint a CRO is primarily due to its desire to have an independent professional engaged to manage Debtors' affairs. Ms. Cross' appointment as CRO is intended to provide the Court and Debtors' creditors with an independent party to manage and operate the affairs of Debtors under the auspices of the Court where Ms. Cross' primary fiduciary duties will be to the Court and Debtors' estate and its creditors.

13. Ms. Cross' duties and responsibilities will be as follows:

- a. To act as Debtors' CRO until further order of the Court;
- b. To act as Debtors' sole manager;
- c. To be the sole signatory on Debtors' DIP Payroll Account, and the DIP Operating Accounts;
- d. To take control of all passwords for any electronic banking of Debtors, and to immediately change such passwords so that the CRO or persons designated by her are the only party who has access to Debtors' electronic banking, such procedure to remain in effect pending further order of the Court;
- e. To exercise sole authority to manage the business affairs of Debtors to the exclusion of any control being exercised by its sole member, manager, and President, Bingqing Yang including, without limitation:
 - i. To make all decisions regarding the hiring and firing of personnel;
 - ii. To make all decisions regarding the expenses incurred by Debtors, and the

- terms of disbursements made by Debtors for same;
 - iii. To issue joint interest billings to working interest owners and to collect same;
 - iv. To authorize the repairs and maintenance of estate assets;
 - v. To issue Authorization for Expenditures (“AFE”) for the purpose of conducting workovers and/or drilling new wells.
 - f. To make all reasonable efforts to consult with all secured creditors, unsecured creditors, parties-in-interest, the US Trustee, the Securities and Exchange Commission (“SEC”) any committee of creditors appointed by the Court;
 - g. To make all reasonable efforts to present to the UST all information required for the Initial Debtor’s Conference;
 - h. To make all reasonable efforts to assist bankruptcy counsel in preparing and filing schedules, statements of financial affairs, amendments thereto, and monthly operating reports on a timely basis;
 - i. To investigate and pursue all available chapter 5 causes of action and non-chapter 5 causes of action against creditors, whether they be insiders or non-insiders, members and other potential defendants;
 - j. To cause Debtors to pay all UST Quarterly fees on a timely basis; and
 - k. To make all reasonable efforts to assist bankruptcy counsel in preparing and filing a plan and disclosure statement.
14. Ms. Cross has agreed to act as CRO on the following terms. The compensation to be paid to Ms. Cross shall be in accordance with normal billing practices for services rendered and out-of-pocket expenses incurred on Debtors’ behalf. Ms. Cross’ hourly rate will be \$495.00

per hour. Ms. Cross will be assisted by other SRR personnel whose rates are as follows:

- Director - John Baumgartner, CIRA, CDBV ----\$395.00 per hour
- Senior Analyst – Andrew Masotta ----- \$225.00 per hour

15. Ms. Cross requests that the Court approve a procedure for compensating her and her personnel on a monthly basis, comparable to those established in other Chapter 11 cases. Ms. Cross' proposed procedure will allow the Court and all other parties to more effectively monitor the fees and expenses incurred in this case.

16. The proposed procedure would require the presentation to Debtors and their counsel, the United States Trustee, the secured lender and its counsel of a detailed statement of services rendered and expenses incurred by each professional for the prior month. If no timely objection is made, Debtors would be authorized to pay eighty percent (80%) of the amount of fees incurred for the month and one hundred percent (100%) of expense disbursements for the month. All payments would be subject to the Court's subsequent approval as part of the normal fee application process.

17. All fees and expenses incurred by Ms. Cross and her personnel shall be subject to this Court's approval. A copy of Ms. Cross' engagement letter is attached as Exhibit "B"

18. Attached hereto as Exhibit "C" and incorporated herein for all purposes is the Affidavit of Loretta R. Cross and Disclosure Statement Pursuant to Section 504 of the Bankruptcy Code and Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure which attests that Ms. Cross, her staff, and SRR

- a. do not hold or represent any interest adverse to the estate, are disinterested and that she is eligible to serve as CRO for Debtors under Bankruptcy Code §327(a);
- b. are not creditors, equity security holders or insiders of Debtors and do not

represent any entity (or its attorneys or accountants) other than Debtors in connection with Debtors' chapter 11 case;

- c. are not, and never have been, investment bankers for any outstanding security of Debtors or its' affiliate companies;
- d. are not, and have not been within the past two years, a director, officer, or employee of Debtors or of any such investment banker as described above;
- e. have no interest materially adverse to the interests of Debtors or of any class of creditors or equity security holders of Debtors, by reason of any direct or indirect relationship to, connection with, or interests in, Debtors or any investment banker for Debtors; and
- f. have no connection with Debtors, or its creditors, equity interest holders or any party in interest, or with the respective attorneys or accountants of the foregoing, or with the United States Trustee or any person employed in the office of the United States Trustee.

19. As stated above, Ms. Cross has no connections with Debtors, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.

20. The employment of Loretta R. Cross and Stout Risius Ross, Inc. as Chief Restructuring Officer and Financial Advisor is necessary and in the best interest of Debtors and its' estates.

WHEREFORE, Debtors requests entry of an order that (i) approves Debtors' engagement of Loretta R. Cross and appoints Loretta R. Cross as the chief restructuring officer for Debtors on the terms described above; and (ii) subject to further Court approval as to amounts, authorizes

Debtors to compensate Ms. Cross as provided for above, and to reimburse Ms. Cross for her necessary disbursements and expenses.

DATED: August 6, 2015

LUCA INTERNATIONAL GROUP LLC
LUCA OPERATION, LLC
LUCA INTERNATIONAL GROUP (TEXAS) LLC
LUCA BARNET SHALE JOINT VENTURE, LLC
LUCA ENERGY FUND LLC
LUCA ENERGY RESOURCES, LLC
LUCA I, LP
LUCA II, LP
LUCA OIL, LLC
LUCA OIL II JOINT VENTURE
LUCA TO-KALON ENERGY, LLC
LUCA RESOURCES GROUP, LLC

By: 
Loretta R. Cross, CRO

OF COUNSEL:
HOOVER SLOVACEK LLP
EDWARD L. ROTHBERG
State Bar No. 17313990
ANNIE E. CATMULL
State Bar No. 00794932
MELISSA A. HASELDEN
State Bar No. 00794778
T. JOSH JUDD
State Bar No. 24036866
BRENETTA A. SCOTT
State Bar No. 24012219
Galleria tower II
5051 Westheimer, Ste. 1200
Houston, Texas 77056
(713) 977-8686 / Fax: (713) 977-5395
PROPOSED ATTORNEYS FOR DEBTOR AND
DEBTOR-IN-POSSESSION



Loretta Cross, CPA, CIRA, CDBV

Managing Director, Energy Practice and Distressed Segment Leader
Stout Risius Ross

(713) 221-5141 (Business)

(713) 302-5681 (Mobile)

lcross@srr.com

Overview

Ms. Loretta Cross is a Managing Director at Stout Risius Ross, LLC ("SRR") and the leader of the firm's Energy Practice. She has more than 30 years of experience in audit, strategic planning, operational efficiency, and financial consulting. She is a recognized expert in the energy field providing services to companies from the well head to the light switch. She has been a business advisor to some of the nation's largest energy companies, including NRG, Plains All American Pipeline and BP. Prior to joining SRR, she was a Managing Partner at Grant Thornton where she led both the Energy Advisory Practice and the Corporate Advisory and Restructuring Services Practice.

She has significant expertise in exploration and production, power generation, and pipelines. Clients have varied from small privately held companies to large international enterprises. Her specialties include business valuation, financial forecasting, forensic analysis, regulatory compliance, and financial structuring.

Professional certifications include: Certified Public Accountant (CPA), Certified Insolvency and Restructuring Advisor (CIRA), and Certification in Distressed Business Valuation (CDBV). She is active in both the community and her profession. Throughout the industry, Ms. Cross has made many presentations and written numerous publications.

Loretta is married. She and her husband have four daughters and three grandchildren.

Work History and Leadership

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|----------------|---|
| 2013 – Present | Stout Risius Ross – Loretta is a Managing Director and the leader of the firm's Energy Practice. Loretta is responsible for setting the strategy, recruiting the team and growing the service offerings, including investment banking, valuation, financial services, and forensics. |
| 2012-2013 | Charles River Associates -- Loretta was a Vice President at Charles River Associates ("CRA"), where she was responsible for providing leadership for the newly opened Houston office. She was hired to lead the Energy Practice's service offerings to the upstream and midstream oil and gas sectors. These services included providing financial, economic and strategic consulting for Fortune 1000 energy companies. |
| 2006 – 2012 | Grant Thornton – Loretta was a managing partner who held a number of leadership positions at Grant Thornton including: <ul style="list-style-type: none">• Energy Advisory Services Leader-- Loretta was responsible for building a common strategy, developing targets, organizing initiatives, providing thought |

leadership, designing the internal knowledge sharing tools, organizing the industry collaboration between Audit, Tax and Advisory and growing revenues.

- **Founder and Managing Partner of Corporate Advisory & Restructuring Services--** She served as the leader for this group until it grew to approximately 100 professionals in ten cities. Under her leadership, the firm provided restructuring services to prestigious clients such as Ford, Idearc, Flying J, JP Morgan Chase and Wells Fargo. Loretta had profit and loss, human resources and risk management responsibilities for the group.
- **United States Delegate for Grant Thornton International Energy Advisory Team.**

Prior to 2006 Loretta served as the Southwest Co-Regional Leader for the Business Restructuring Practice of Alvarez & Marsal, as a Partner at PricewaterhouseCoopers where she was a part of the five-member Houston Office Management Committee, as an auditor at Touche Ross (now Deloitte) and a consultant at Ernst & Young.

Professional and Restructuring Expertise

Loretta has more than 30 years of experience including bankruptcy, restructuring, audit, management consulting and financial consulting. Her key specialization is assisting companies in financial distress with their out-of-court restructures, in court restructures and liquidations.

Loretta has served as a Chapter 7 and Chapter 11 trustee, she has worked for numerous receivers and been involved with the controlled restructuring of financial institutions and insurance companies.

She has been the key business advisor to parties of interest in some of the largest bankruptcies and restructurings in the United States including, Flying J, Idearc, Calpine, Reliant Resources and Enron Corp. She has provided expert testimony in numerous courts from Connecticut to Phoenix on issues including plan viability, valuation, use of cash collateral, substantive consolidation, avoidance actions and subordination issues. She has investigated causes of action, sold assets to pay creditors, obtained financing to complete or workover field development, regained credibility for the company and determined the best way to maximize creditor recoveries.

Loretta's experience in assisting in the restructuring of Exploration and Production and oil field service companies is displayed on the next page.

Energy Restructuring Experience

Case Issues Relevant to Exploration and Production

Case Name	Type	Role	Complex capital structure	Leases with sovereign entity	Monetized assets through structured vehicles such as ORRI, VPP or NRI	Ongoing asset development through Chapter 11 or restructure	Required raising Debtor in Possession or other financing	Required assessing transactions, management actions and litigation of such	Management lacked credibility	Required asset sales process	Offshore oil and gas assets
BaseLine Energy	Chapter 11	Debtor	X								
Blast Energy Services	Chapter 11	UCC					X	X	X	X	
Calpine/Rosetta Resources	Chapter 11	Secured Lender	X		X	X	X				
Collett Ventures, Inc.	Chapter 11 Liquidation	UCC						X	X		
Conquistador, Inc.	Chapter 11 Liquidation	Liquidating Trustee			X			X	X	X	
Costilla Energy, Inc.	Chapter 11	Secured Lender					X	X			
Cross Canyon	Chapter 11	Debtor	X			X	X				
Damson Oil	Chapter 11	Debtor	X		X		X	X			
Digicon, Inc.	Chapter 11	UCC	X				X	X	X		
Enron	Chapter 11	Debtor	X	X	X	X	X	X	X	X	X
Flying J Oil & Gas	Chapter 11	UCC	X		X	X	X	X	X	X	
GasMark, Ltd.	Chapter 11 Liquidation	UCC and Liquidating Trustee					X	X	X	X	
Horizon Offshore	Out of Court	Debtor and CRO	X			X	X	X	X		
Lloyds project	Out of court	Secured Lender		X		X		X	X	X	
Midcon Offshore	Chapter 11	Debtor and Trustee		X	X	X	X	X	X	X	X
Perry Gas	Chapter 11 Liquidation	Support UCC and Liquidating Trustee	X					X	X	X	
Pisces Energy	Chapter 11	Secured Lender	X		X	X		X	X		X
RR Valve	Chapter 11	Trustee						X	X		
Santanna Energy Services	Chapter 11	Debtor/CRO					X	X	X		
Saratoga Resources	Chapter 11	Debtor	X	X				X	X		
Seven Seas	Chapter 7	Expert for Trustee	X	X				X	X		
Trans Texas Gas, Inc.	Chapter 11	Debtor	X			X	X	X	X		
TXCO	Chapter 11 Liquidation	UCC	X				X	X	X	X	
Wichita River	Chapter 11	Secured Lender						X	X	X	
WRT Energy	Chapter 11	UCC	X			X	X	X	X	X	
Yukos	Chapter 11	Debtor	X					X			

Professional and Community Affiliations, Awards and Certifications

- 2010 Most Powerful and Influential Women of Texas
- 2011 and 2014 Who's Who in Energy, *Houston Business Journal*
- 2012 Woman on the Move, Texas Executive Women
- 2015 Outstanding Woman of Energy, YMCA
- American Bankruptcy Institute
- Association of Insolvency and Restructuring Accountants
- Center for Houston's Future Leadership Forum
- Certified Distressed Business Valuator (CDBV)
- Certified Insolvency and Reorganization Accountant (CIRA)
- Certified Public Accountant (CPA)
- Executive Women's Partnership, Chair
- Greater Houston Partnership
- Lupus Foundation of America -- Member of the Governance and Audit Committee
- North America Power Credit Organization

- Texas Gulf Coast Chapter of the Lupus Foundation of America -- Chairman of the Board
- Texas Executive Women --Treasurer, President Elect
- Turnaround Management Association --Vice Chair, Education Committee Chair
- American Bankruptcy Institute Valcon Conference, Conference Planning Committee 2009, 2010, 2011
- Women's Energy Network
- Woman Leaders Committee, Chair and Founder

Recent Publications and Presentations

- "Distress in the Oil and Gas Industry" -- American Bar Association, June 2015
- "From Boom to Bust: What Happens When the Price of Oil Collapses" -- SRR Journal -- Spring Addition 2015
- "How Credit Bidding is Impacting Oil and Gas Bankruptcy Recoveries" -- SRR Journal -- October 2014
- "Lessons Learned from the Tronox Bankruptcy" -- SRR Journal and ABA Litigation Newsletter -- April 2014
- "Peak Oil" -- Louisiana Chapter of the Turnaround Management Association, March 18, 2015
- "Distress in the Energy Industry" -- Valcon, Emerging Issues in Bankruptcy and Beyond -- February 26, 2015
- "Energy Market Overview" -- IVEY Investment Seminar -- January 20, 2015
- "Understanding the Oil Patch and the underlying value Drivers" -- Chicago University Club -- November 19, 2014
- "Understanding the Oil Patch and the underlying value Drivers" -- New York American Arbitration Association -- November 19, 2014
- "Oil and Gas Valuation 101" -- Haynes & Boone -- November 17, 2014
- "The Role of a CRO, Trustee or Examiner" -- University of Houston Law School -- November 13, 2014
- "Trends and Challenges in the Oil and Gas Industry" -- SRR Journal--April 2014
- "Mexico Ends its Decades-Long Oil Industry Monopoly" -- Journal of Corporate Renewal -- March 2014
- "How will low natural gas prices Impact Bankruptcy Filings" -- ABI Investment Banker Newsletter -- October 2012
- "The Spread and Butter of the Power Sector in 2012", TMA Webinar and Whitepaper, July 2012
- "Market Participation -- Order FERC 741; What You Need to Know," Grant Thornton LLP white paper, April, 2012
- "Trends in Risk Capital Allocation for Energy Companies," Oil and Gas Monitor, March 2012
- "The State of the Industry -- An engine for U.S. Growth," Grant Thornton LLP Survey of Upstream U.S. Energy Companies 2012, March 2012
- "Anatomy of the '100 Cent+' Case," AIRA Journal, Vol. 25, Number 3, August, 2011
- "Dodd-Frank Impacts End-Users," Oil and Gas Investor, June 2011
- "The State of the Industry -- Technology, Opportunity and Regulatory Change," Grant Thornton LLP Survey of Upstream U.S. Energy Companies, 2011
- "The State of the Industry -- Trends, Plans and Policies," Grant Thornton LLP Survey of Upstream U.S. Energy Companies 2010, March 2011
- "Financial Reform: How the Dodd-Frank Act Affects the Energy Industry," Grant Thornton LLP white paper, September 2010
- "A Road Map to Success: convenience Stores on the Fast Track", Grant Thornton, July 2010
- "The effects of carbon legislation on independent power producers", Grant Thornton, June 2010
- "The Implications of the April 2010 Oil Spill on Deepwater Exploration and Production," Grant Thornton LLP white paper, May 2010
- "Cameron School of Business Leadership Series" -- University of St. Thomas, March 2014
- "Significant Issues For Fraudulent Transfer Actions" -- The Knowledge Group, March 2014
- "BV 101 (Business Valuation for Attorney's)" -- Andrews & Kurth, March 2014
- "Best Practices and Use of Experts" -- 5th circuit Bankruptcy Bench-Bar Conference , Feb. 2014

- "Reform of the Energy Industry in Mexico" – SRR Thought Leader Series, January 2014
- "Current Trends in the Energy Industry" – Commercial Finance Association 2013 Energy Summit, September 2013
- "Marketing Techniques for Professionals" – AIRA Annual Conference, June 2013
- "Oil and Gas Energy Finance" – Bauer Executive MBA Program, May 2013
- "The Spread and Butter of the Power Sector in 2012", TMA Webinar and Whitepaper, July 2012
- "Oil and Gas and the Election Cycle," Commercial Finance Association 2012 Energy Summit, April 2012
- "Cowboys Never Have Enough Guns, Dogs, or Pickup Trucks," Balance Sheets/Financial Statements: Case Study Finding Fraudulent Activity, Texas Bar Advance Business Bankruptcy Course, September 2011
- "Perspectives on the Changing Roles of Women and Men in the Workplace and the Family: Learn How These Changes Can Directly Affect Your Law Practice," 2011 State Bar of Texas Annual Meeting – San Antonio, June 2011
- "CFA 2011 Energy Investment Seminar," Commercial Finance Association, SW Chapter, May 2011
- "Observations and Lessons Learned from the Great Recession," 58th Annual Risk Management Association Spring Conference, March 2011
- "Joint Venture in the Resource Plays," 6th Annual Houston Energy Forum, April 2011
- "Various Elements of Networking," Houston Senior Associate Advisory Committee Partner Panel, Summer 2011
- "Avoidance Actions and Trade Issues," ABI's 2010 Southwest Bankruptcy Conference, -September 2010
- "The Implications of the April 2010 Oil Spill," Houston Gas Processors Association (GPA), October, 2010
- "Turnaround of Service Firms" Kellogg Turnaround Management Conference, Northwestern University, April 2010

Broadcast Interviews:

- Comcast Newsmakers, "Loretta Cross discussed the Executive Women's Partnership" Interview with host Michael Bybee", April 2012
- Bloomberg Video Interview-In Business, "Loretta Cross Sees 'Flurry' of M&A in Gulf Oil Industry". Discussion of the M&A environment in the post-oil spill E&P sector", August 2010, <http://www.bloomberg.com/video/62432374/>
- "BP Ready for a Takeover?" Fox News interview of Loretta Cross on July 2, 12:20 p.m. Central time: Discussion of the prospects for an acquisition of BP. The link to the interview is: <http://video.foxbusiness.com/v/4272833/bp-ready-for-a-takeover> , July 2010
- Video interview about BP's takeover prospects, Loretta Cross, by The Deal, July 2010

Print Interviews:

- "Price Volatility Top Concern of Upstream Execs, Survey Finds," Dow Jones, March 2012
- "HSE Hiring On Rise for U.S. Offshore Following Macondo," Rigzone, March 2012
- "Family Sins-Bankruptcy," Deal Pipeline, January 2011
- "Shallow Gulf Waters Get Lonely; Hercules Offshore, a Contact Driller, Holds Hope That It Can Dominate Work in Aging Energy Field", Wall Street Journal, June 2011
- "Hercules Offshore Inc.: Showing Muscle in Gulf," Turnkey Oil, June 2011
- "Analysis: Regulation, Prices Top Issues Facing Energy Execs," Rigzone, March 2011
- "Senior U.S Oil and Gas Executives Expect Further Increases in Oil Prices, Drilling Costs and Hiring," Reuters, February 2011

- "Loretta Cross is Helping Women One Leader at a Time," Houston Business Journal, Christine Hall, September 2010
- "Grant Thornton Finds Large Implications of Dodd-Frank Act on Energy Industry," Big4.com, Christina Broder, November 2010
- "Anadarko's Uncertain Waters," The Wall Street Journal, Daniel Gilbert, October 2010
- "G.E. Keeps Shopping for Energy Assets," The New York Times Deal Book, Cyrus Sanati, October 2010
- Distressed Investing – Buying Companies that Fish the Gulf," BizNow, New York, October 2010
- "BV Investment Partners Gets Skills...PetroSkills," Dow Jones LBO Wire, Beina Xu, September 2010
- "Not so Slick: Six Months on from the Deepwater Horizon Disaster," ExecDigital, Russell Hotton, September 2010
- "Interview with Dan Fisher of Forbes regarding litigation scenarios and liability claims facing BP as a result of its oil spill," Loretta Cross, July 2010
- "Restructuring Experts Brace for Gulf Coast Bankruptcy Filings," Wall Street Journal, Rachel Feintzeig, July 2010
- "Deepwater Drilling," The Deal Magazine, Claire Poole, July 2010
- "Crude Rises From 11-Week Low as Dollar's Drop Boosts Appeal of Commodities," Bloomberg News, Mark Shenk, August 2010
- "BP Has Options Before Bankruptcy, Lawyers Say," Market Watch, Alistair Barr, June 2010
- "Grant Thornton Identifies Impact of Gulf Oil Spill on Deepwater E&P Sector," Big4.com, Erica deVry, August 2010
- "Analysis: Gulf Drilling Costs, Regulations Likely to Rise," Rigzone, August 2010
- "Higher Costs, consolidation expected in Gulf of Mexico," Oil & Gas Journal, Paula Dittrick, August 2010
- "Crude Extends Gain After Report Shows Surprise Drop in Distillate Supplies," Bloomberg News, Mark Shenk, September 2010
- "As BP Seals Well, PE Investors Scour Landscape for Ideas," Fox Business, Ken Sweet, September 2010
- "BP Initiates New Information to Combat Drumbeat to Kill It," Personal Injury Attorney, June 2010
- "Gulf Oil Spill May Spur M&A," Investment Dealers' Digest, Allison Bisbey Colter, June 2010
- "Experts Size Up Possible BP Bankruptcy," American Bankruptcy Institute, June 2010
- "Partners in Projects are sticking with BP," Houston Chronicle, Brett Clanton, June 2010
- "Restructuring Experts Bracer for Gulf Coast Bankruptcy Filings," Dow Jones Financial Information Services, June 2010
- "BP shares buck down market on takeover talk," Ameritrade, June 2010
- "BP takeover talk resumes, bolstering shares," Market Watch, Alistair Barr, June 2010
- "Weighing the Possibility of Bankruptcy for BP," New York Times, July 09, 2010
- "BP has Options Before Bankruptcy, Lawyers Say," Market Watch, Alistair Barr, June 2010

Education

BBA, Accounting, University of Texas at Austin



July 10, 2015

PRIVILEGED AND CONFIDENTIAL

Bingqing Yang
Luca International Group LLC
600 Travis Street Suite 6920
Houston, Texas 77002

RE: Luca International Group LLC

Dear Ms. Yang:

Thank you for selecting Stout Rislus Ross, Inc. ("SRR" or the "Manager") to provide financial advisory services to Luca International Group LLC ("Luca" or the "Company") in connection with a restructuring of the Company (the "Engagement"). This letter shall confirm our understanding of our agreement (the "Engagement Letter").

Objectives and Scope

We understand the engagement objectives and scope to consist of the following.

We will provide SRR professionals to serve as management and additional staff in our discretion to assist with your restructuring efforts. Upon the execution of this Engagement Letter, Loretta Cross will be appointed or elected as your Chief Restructuring Officer (the "CRO"). Such appointment or election will be approved by the Company's Board of Directors (the "Board"). The CRO will report to and be subject to the direct supervision of the Board, and will work collaboratively with the officers of the Company and legal counsel to guide the Company through the restructuring process. Given our understanding of the scope of the work, we anticipate that Additional Staff will provide support as necessitated by the scope of the restructuring efforts.

SRR (based on recommendations from the CRO) will assign additional personnel of the Manager ("Additional Staff"), on an as-needed basis, to act in various capacities to carry out other services required of the Company, and may assign, subject to the prior approval of the Board, other of its employees to perform other services required of the Manager hereunder. To the extent additional resources are required to carry out the Manager's services, this Engagement Letter may be amended by the Manager and the Company, as appropriate.

The CRO shall assist the Board in restructuring and recapitalizing the Company. The CRO shall be authorized to make decisions with respect to the restructuring and recapitalization of the Company, including all decisions relating to all aspects of the management and operation of the Company's business, including, without limitation, organization and human resources, marketing and sales, logistics, finance and administration and such other areas as the CRO may identify, in such manner as he deems necessary or appropriate in his sole discretion consistent with the business judgment rule, subject to appropriate oversight by the Board in accordance with the Company's Bylaws and the Company's certificate of incorporation and applicable state law, and subject to the provisos at the end of the following sentence. In addition, the CRO shall, subject to the oversight of the Board and subject to the Company's certificate of incorporation and Bylaws, be given the authority to take whatever actions the CRO deems necessary, including, without limitation, the authority to:

- a) manage the day-to-day operation and business of the Company and its subsidiaries;
- b) hire and terminate professionals;
- c) borrow money and grant security interests on the assets of the Company;

EXHIBIT B

815 Walker, Suite 1140
Houston, Texas 77002
ph. +1.713.225.9580
fax +1.713.225.9588
www.srr.com

B.R.Y.



Bingqing Yang
July 10, 2015
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- d) file for bankruptcy protection;
- e) sell all or part of the assets of the Company, terminate the Company's operations, and liquidate, surrender and/or abandon the Company's assets;
- f) supervise the banking relationships, cash management and budgeting process of the Company and act as a signatory to all bank accounts;
- g) supervise the management and employees of the Company;
- h) hire and terminate personnel of the Company;
- i) develop and implement restructuring plans, including plans contemplating restructuring of debts, sales of assets, divestitures, liquidations or other dispositions of assets, of the Company;
- j) formulate all strategic direction and alternatives of the Company;
- k) perform all such duties and have all such responsibilities and obligations as the Chief Executive Officer of the Company, and have all such other authority normally associated with the title of Chief Executive Officer; and
- l) perform such other functions as are consistent with the title of Chief Executive Officer as directed by the Company from time to time; provided, however, the CRO shall be required to obtain the prior consent of the Board for all major events, a sale of all or substantially all of the assets of the Company, recapitalization of the Company, refinancing of the obligations evidenced by the Company's promissory notes, a transaction that would result in a change of control of the equity of the Company or a merger or acquisition transaction; or the filing of a petition for the Company under the U.S. Bankruptcy Code.

In undertaking to provide the services set forth above, the Manager and CRO do not guarantee or otherwise provide any assurances that they will succeed in restoring the Company's operational and financial health and stability, and the Company's obligation to provide the compensation specified under herein shall not be conditioned upon any particular results being obtained by the Manager or CRO.

In view of the Company's present circumstances, the Company acknowledges that the CRO and the Manager's other professionals may be required to make decisions with respect to extraordinary measures quickly and that the depth of their analysis of the information on which their decisions will be based may be limited in some respects due to the availability of information, time constraints and other factors. Moreover, the CRO and the Manager's Additional Staff shall be entitled, in performing their duties on behalf of the Manager, to rely on information disclosed or supplied to them without verification or warranty of accuracy or validity, consistent with the Other Services below.

The CRO and the Manager's Additional Staff will endeavor to keep the Board apprised of their findings, plans and activities. The Company understands that the CRO and the Manager's Additional Staff may need to communicate with the Company's lenders and their respective professionals as to the status of operations and the plans for the Company.

Services performed for the Company pursuant to this Engagement will be performed in a manner consistent with a reasonable level of care and skill exercised by other professional consultants engaged in the same profession and working under similar circumstances.

The scope of our services may be expanded from time to time, provided that we and you mutually agree in writing to any such expansion and any corresponding increase in fees.

Other Services

In addition to the customary duties of the CRO, which are generally described above, the Additional Staff roles will include working with the Company to provide such assistance as you and your counsel require to stabilize, restructure, and turnaround the Company's business, operations, and financial position. The support work the Additional Staff will provide is expected to include, but not be limited to the following:

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- a) Forensic accounting
- b) Investigating and tracing flows of funds and other asset movements;
- c) Litigation support
- d) Assistance in establishing operations and financial controls and maintaining financial and cash flow forecasting;
- e) Assistance with the identification and marshalling of the Company's assets and records, including local cash and investment accounts;
- f) Assistance with inventory and addressing transactions in progress;
- g) Valuation services; and
- h) Assistance with maintaining listings of creditors and claims, reconciling such items, and resolving related disputes.

We will not audit any financial statements or perform attest procedures (as those procedures are generally construed by certified public accountants) with respect to information in conjunction with this Engagement. Our services are not designed, nor should they be relied upon, to disclose weaknesses in internal controls, financial statement errors, irregularities, illegal acts or disclosure deficiencies.

We will be responsible for the overall management, hiring, and compensation of the Additional Staff, and the Additional Staff will not be considered your employees with respect to benefits and other employment matters. Neither SRR nor the Additional Staff will be entitled to receive from the Company any vacation pay, sick leave, retirement, pension, social security benefits, workers' compensation, disability, unemployment insurance benefits, health or life insurance, or any other employee benefits. SRR will be responsible for all employment, withholding, and income taxes incurred in connection with the operation of our business.

Your Responsibilities

To help maximize the value of our work and to keep the project on schedule, you agree to satisfy our reasonable requests and to provide us timely access to all information and locations reasonably necessary to the performance of our services.

The successful delivery of our services, and the fees charged, are dependent on (i) your timely and effective completion of your responsibilities, (ii) the accuracy and completeness of the assumptions and information provided to us, and (iii) timely decisions and required approvals by you and/or your representatives.

You agree that within five business days after your signing of this Engagement letter, Loretta Cross will be appointed by the Company to be the Company's Chief Restructuring Officer. A copy of the applicable corporate Board resolution approving such appointment will promptly be provided to us. SRR and the CRO will not initiate the engagement until a copy of the resolution is provided. This officer(s) will receive the most favorable indemnities provided by the Company to its officers and directors or members, whether under the Company's by-laws, certificate of incorporation, by contract or otherwise. This indemnification is in addition to the indemnification afforded to us under the attached Professional Terms.

Further, you agree to include and cover the CRO under the Company's directors' and officers' liability insurance ("D&O Insurance"), which coverage shall have: (a) limits of liability of at least \$5 million, (b) a self-insured retention of no more than \$10,000, and (c) no reservation based on actions that have been or are expected to be filed against officers and directors alleging prior acts that may give rise to a claim. SRR and the CRO will not initiate the engagement until a copy of the insurance policy is provided. If the Company is unable after making commercially reasonable efforts to specifically include and cover the CRO under the Company's D&O insurance, then the Company shall notify us and we will attempt, with

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the Company's full cooperation and agreement, to purchase a separate D&O Insurance policy covering such SRR professionals only; the cost of such policy will be invoiced to the Company as an out-of-pocket expense. If you and we are unable to obtain mutually acceptable D&O Insurance coverage, then we may terminate this Engagement.

In the event that Additional Staff become officers of the Company, such individuals will be entitled to receive the same indemnification described above.

The Company acknowledges and agrees that the terms and conditions of its engagement of SRR are reasonable, that the services to be rendered by SRR are necessary, and that based upon the nature and extent of such services, the time to be spent by SRR on the engagement, and the cost of comparable services, all of the fees, compensation, reimbursement and indemnification payable hereunder are reasonable and necessary.

Fees and Expenses

In many engagements, our fees for the services described in this letter are based upon actual time and materials at standard rates, plus out-of-pocket expenses. Our current hourly rates are as follows, and may be subject to adjustment as our prevailing rates change from time to time:

Managing Director	\$400 - \$750
Director	\$325 - \$500
Manager	\$250 - \$450
Senior Analyst	\$200 - \$325
Analyst	\$175 - \$275
Paraprofessional	\$125

In the interest of working within the Company's cash availability, we propose that our fees for this Engagement are as follows:

- a) An initial fee of \$20,000 (the "Preparation Fee") for a two week period during which the CRO and SRR will assess Company's financial situation and prepare the company, if necessary, to file for bankruptcy protection.
- b) After filing for bankruptcy, SRR would revert to charging for services on an hourly basis using the current rate schedule.

Out-of-pocket expenses (including transportation, lodging, meals, communications, supplies, research charges, copying, matter-related legal or professional fees, etc.) will be billed at the actual amounts incurred. Invoices for fees and out-of-pocket expenses are anticipated to be billed on a weekly basis. Our invoices are due upon presentation. Amounts remaining overdue for more than 30 days will be subject to a late charge of 1.5% per month from the date of invoice. We reserve the right to suspend services if invoices are not promptly paid, in which event we will not be responsible or liable for any resulting loss, damage or expense connected with such suspension.

Additionally, in the event we are required to respond to a subpoena (e.g., producing documents in our possession, providing testimony, cooperating with your legal counsel, etc.) related to this engagement (regardless of whether such subpoena is served during or subsequent to the completion of our work), we will invoice you at our standard hourly rates applicable at the time such services are rendered. We will also invoice you for our related out-of-pocket expenses, including, but not limited to, copying charges, courier fees, travel expenses and attorney fees.

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Retainer

We will require a retainer of \$20,000 before we can commence work. The retainer may be applied to any invoice at our discretion or to our final invoice at the conclusion of the engagement. If the retainer is drawn against to satisfy or reduce an invoice, the retainer shall be promptly replenished by the Company. If at any point in our engagement the retainer balance reaches zero, we reserve the right to cease work until such time as the retainer balance has been replenished to its initial amount. We will notify you if the retainer balance is nearing zero so that you have sufficient time to replenish the retainer and keep the engagement moving on schedule. Any unused portion of the retainer will be promptly refunded to you at the end of our engagement. This retainer is not intended to be an estimate for the total cost of work to be performed. An invoice for the retainer is enclosed.

Wire Transfer

All payments required hereunder shall be paid by wire transfer unless otherwise permitted by us. Set forth below are our funds transfer instructions:

Stout Rislus Ross, Inc.
Fifth Third Bank
Wire ABA Number 042000314
ACH ABA Number 072405455
Account Number 7911786619

Disclosures

We have represented, and will in the future represent, many different clients with various business interests in numerous industries. These clients are often referred to us by intermediaries such as lawyers, investment bankers, lenders and accountants ("Referral Sources"). In undertaking the Engagement, our objective is to provide services to you to the best of our ability, but without precluding us from representing other clients or from accepting referrals from or making referrals to Referral Sources. Since we want you to be comfortable with the retention of SRR in light of other client and Referral Sources relationships, we make the following disclosures, based on the information provided by you with an interest in the Engagement:

NONE

We agree to update the disclosure information from time to time if and when additional material parties with an interest in or a relationship with you are identified by you, in writing, to us.

As a specific condition to our undertaking the Engagement, you acknowledge the potential conflicts of interest inherent in the above disclosures and waive any conflict of interest or similar claim related to such disclosures.

Professional Terms

The attached Professional Terms apply to this engagement.

* * * * *

B. 10 W



Bingqing Yang
July 10, 2015
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Please indicate your agreement with the terms of this letter (including the Professional Terms), by signing and returning to me the enclosed copy of this letter. We appreciate the opportunity to be of service to you and look forward to working with you on this important project. Please note that this offer will terminate 60 days from the date of this letter, and shall be of no further force or effect unless expressly reinstated by us.

Very truly yours,

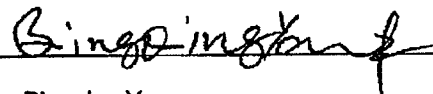
STOUT RISIUS ROSS, INC.

By: 

Attachments: Professional Terms

Acknowledged and Accepted:

Luca International Group LLC

Signed: 

Name: Bingqing Yang

Title: CEO / President

Date: 7/13/2015

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herein as a "Filing".) Moreover, we are not obligated to provide, nor will we provide, any consent to be named in any such Filing either during the performance of our services or after the conclusion of our engagement.

THIS WARRANTY IS OUR ONLY WARRANTY CONCERNING THE SERVICES AND ANY DELIVERABLE, AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE.

8. Liability and Indemnification (a) You will indemnify us, our owners, employees, contractors and agents against all costs, fees, expenses, damages and liabilities (including reasonable attorneys' fees and costs) associated with any third party claim, relating to or arising as a result of the services or our engagement except to the extent caused by the gross negligent or willful acts or omissions of our employees, contractors or agents in performing the services.

(b) Neither of us will be liable for any delays or failures in performance due to circumstances beyond our reasonable control.

(c) Our total liability relating to this engagement will in no event exceed an amount equal to the fees we receive for the portion of the engagement giving rise to liability, and will not include any special, consequential, incidental or exemplary damages or loss (nor any lost profits, savings or business opportunity).

(d) Any action against either of us by the other in connection with this engagement must be brought within 18 months after the cause of action arises.

9. Non-Solicitation During the term of this engagement, and for a period of one year following its expiration or termination, you will not actively solicit, employ or otherwise engage any of our employees (including former employees) who were involved directly in the engagement.

10. Termination (a) Any party may terminate our engagement at any time upon 10 days written notice.

(b) Stout Risius Ross, Inc. may suspend or terminate this engagement immediately and without notice in the event of non-payment of amounts due us.

(c) You will pay us for all services rendered,

expenses incurred or commitments made by us to the effective date of termination, and will reimburse us for all reasonable costs associated with any termination.

11. Our Financial Interest / Compensation None of our employees who will work on this engagement have any known financial interest in the Company or the outcome of our analysis, and our compensation is neither based upon nor contingent upon the conclusions we reach. We do not warrant or predict results or final developments in this matter.

12. Staffing While we will attempt to comply with your requests for specific individuals, we retain the right to assign and reassign our personnel, as appropriate, to perform the services.

13. General (a) These Professional Terms, together with the engagement letter, including all its attachments, constitute the entire understanding and agreement between us with respect to the services and deliverables described in the engagement letter, supersede all prior oral and written communications between us, and may be amended, modified or changed only in writing when signed by all parties. If there is a conflict between these Professional Terms and the terms of the engagement letter, these Professional Terms will govern.

(b) No term of this agreement will be deemed waived, and no breach of this agreement excused, unless the waiver or consent is in writing signed by the party granting such waiver or consent.

(c) The terms of this agreement which by their nature are to survive this agreement will survive its expiration or termination.

(d) We will retain files related to this engagement in accordance with our document retention policy.

(e) We each acknowledge that we may correspond or convey documentation via Internet e-mail and that none of the parties has control over the performance, reliability, availability, or security of Internet e-mail. Therefore, none of the parties will be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond our reasonable control.

(f) All of our respective rights and duties and all controversies and claims in connection with this engagement will be determined in accordance with the laws of the State of Illinois. * * *

B. Q. Y



STOUT RISIUS ROSS, INC. PROFESSIONAL TERMS

1. Our Services We will provide the services as described in our engagement letter, as may be modified from time to time by mutual consent.

2. Independent Contractor We are an independent contractor and not your employee, agent, joint venturer or partner, and will determine the method, details and means of performing our services. We assume full and sole responsibility for the payment of all compensation and expenses of our employees and for all of their state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable employee withholdings.

3. Fees and Expenses Our fees, out-of-pocket expenses, and payment terms are set out in our engagement letter. Those fees do not include taxes. You will be responsible for and pay all applicable sales, use, excise, value added and other taxes associated with the provision or receipt of the services, excluding taxes on our income generally.

4. Confidentiality With respect to any information supplied in connection with this engagement and designated by any party as confidential, or which the other party(s) should reasonably believe is confidential based on its subject matter or the circumstances of its disclosure, the other party(s) agree to protect the confidential information in a reasonable and appropriate manner, and use confidential information only to perform its obligations under this engagement and for no other purpose. This will not apply to information which is: (i) publicly known, (ii) already known to the recipient, (iii) disclosed by a third party without restriction, (iv) independently developed, or (v) disclosed pursuant to legal requirement or order. Following the completion of our engagement, but not before such time, we may mention the name of the Company and/or use the Company logo, and provide a general description of the engagement in our printed or electronic materials, or in our marketing presentations to others.

5. Use of Financial & Other Information / GAAS In the course of the Engagement, we will use financial and other information, including prospective financial information, obtained from you, the Company, and/or your representatives, and other public and private sources. The scope of our work will not enable us to accept responsibility for the accuracy and completeness of such information, and it is understood

that we will have no duty of independent investigation or verification of such information. While our work may involve analysis of various records, our engagement does not include an examination in accordance with generally accepted auditing standards known as "GAAS." Furthermore, we will take no responsibility for the achievability of any expected, forecasted, projected, or hypothetical results anticipated or assumed by the management of the Company, whether relied upon by us or not.

6. Our Work Product and Your License Upon full payment of all amounts due us in connection with this engagement, the work product prepared by us for you in connection with our services will become your property, except as set forth below. Our work papers will not constitute work product and will remain our sole and exclusive property. We will retain sole and exclusive ownership of all right, title and interest in our proprietary information which will not constitute work product, including such information as existed prior to the delivery of our services and, to the extent such information is of general application, anything which we may discover, create or develop during our provision of services for you. To the extent our deliverables to you contain our proprietary information, we grant you a non-exclusive, non-assignable, royalty-free license to use the proprietary information provided by us in the work product and the subject of the engagement and for no other or further use without our express, prior written consent.

7. Our Warranty We warrant that our services will be performed with reasonable care in a diligent and competent manner. Our sole obligation will be to correct any non-conformance with this warranty, provided that you give us written notice within 60 days after the services are performed or, if applicable, deliverables are delivered. The notice will specify and detail the non-conformance and, if you and we agree that a non-conformance exists, we will have a reasonable amount of time, based on its severity and complexity, to correct the non-conformance.

We do not warrant and are not responsible for any third party products or services. Your sole and exclusive rights and remedies with respect to any third party products or services are against the third party vendor and not against us.

We are not to be characterized as an "expert" for purposes of securities law and we are not to be referred to, either by name or inference, in any public (e.g., S-1) or nonpublic security filing or private placement. (Any such disclosure document is defined

B.12-Y

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

IN RE:	§	Chapter 11
	§	
LUCA INTERNATIONAL GROUP LLC¹	§	CASE NO. 15-34221-H2-11
	§	
	§	Joint Administration Pending
	§	Judge David R. Jones
Debtors	§	

**AFFIDAVIT OF PROPOSED CHIEF RESTRUCTURING OFFICER
AND DISCLOSURE OF COMPENSATION**

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, personally appeared LORETTA R. CROSS, who, being first duly sworn, deposes and says:

1. “I am a Certified Public Accountant, Certified Insolvency & Restructuring Advisor, with a certification in distressed business valuation.
2. I am a managing director at Stout, Risius, Ross, Inc. (“SRR”).
3. Neither I, nor SRR or my staff, represent any interest adverse to Luca International Group LLC (“LIG”), Luca International Group (Texas) LLC (“LIGTX”), Luca Operation, LLC (“LOL”), Luca Barnet Shale Joint Venture, LLC (“LBSJV”), Luca Energy Fund LLC (“LEF”), Luca Energy Resources, LLC (“LER”), Luca Resources Group, LLC (“LRG”), Luca I, LP (“Luca I”), Luca II, LP (“Luca II”), Luca Oil, LLC (“Luca Oil”), Luca To-Kalon Energy, LLC (“LTKE”), and Luca Oil II Joint Venture (collectively “Debtors”), the above-

¹ The Debtors in these cases, along with the last four digits of their respective taxpayer ID numbers, are Luca International Group LLC (1086), Luca Operation, LLC (0343), Luca International Group (Texas) LLC (5577), Luca Barnet Shale Joint Venture, LLC (5340), Luca Energy Fund LLC (0677), Luca Energy Resources, LLC (0000), Luca Resources Group, LLC (1699), Luca I, LP (4104), Luca II, LP, (9778), Luca Oil, LLC (8161), Luca To-Kalon Energy LLC (3922), Luca Oil II Joint Venture (6604).

EXHIBIT C

referenced debtors), as required by 11 U.S.C. §§ 327(a), 328(a), and 504. Additionally, we are disinterested persons, as defined by 11 U.S.C. § 101(14). SRR has made an investigation of disinterestedness prior to submitting this Affidavit, which includes a firm-wide conflicts check as to the Debtors, and their secured creditors, unsecured creditors and equity holders.

4. Neither I, SRR, nor any manager, partner, counsel, or associate thereof, insofar as I have been able to ascertain, have any connection with Debtors or their creditors, the United States Trustee, persons employed in the United States Trustee's office, or any other potential parties-in-interest herein, or their respective attorneys.

5. Due to the size and complexity of these cases, if additional connections are discovered, I will supplement this Affidavit as appropriate. I do not believe any of these relationships create an adverse relationship with the Debtors.

6. The personnel and I have professional connections through professional associations like Turnaround Management Association, through which certain attorneys for the United States Trustee, judges, and practitioners, educate themselves on bankruptcy-related issues.

7. Accordingly, neither I, nor SRR or my staff, represent any interest adverse to the Debtors, their estates, creditors, equity holders, or affiliates in the matter upon which SRR is to be engaged, and SRR is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and as required by section 327(a) of the Bankruptcy Code.

8. These cases are expected to be jointly administration. Debtors have some common creditors and are affiliated entities – they share common ownership. The Debtors are owned by Bingqing Yang. If the Debtors are forced to retain separate counsel, their estates

would incur additional expenses and delays associated with familiarizing new counsel with the intricacies of the financial affairs and business operations.

9. My hourly rate is \$495.00 per hour. I will be assisted by other SRR personnel whose rates are as follows:

- Director - John Baumgartner, CIRA, CDBV ----\$395.00 per hour
- Senior Analyst – Andrew Masotta ----- \$225.00 per hour

10. The services rendered or to be rendered by SRR, include but are not limited to the following:

- A. To exercise sole authority to manage the business affairs of Debtors to the exclusion of any control being exercised by its sole member, manager, and President, Bingqing Yang including, without limitation:
- i. To make all decisions regarding the hiring and firing of personnel;
 - ii. To make all decisions regarding the expenses incurred by Debtors, and the terms of disbursements made by Debtors for same;
 - iii. To issue joint interest billings to working interest owners and to collect same;
 - iv. To authorize the repairs and maintenance of estate assets;
 - v. To issue Authorization for Expenditures (“AFE”) for the purpose of conducting workovers and/or drilling new wells;
 - vi. To make all reasonable efforts to consult with all secured creditors, unsecured creditors, parties-in-interest, the US Trustee, the Securities and Exchange Commission (“SEC”) any committee of creditors appointed by the Court;

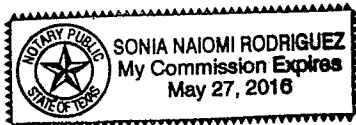
- vii. To make all reasonable efforts to present to the UST all information required for the Initial Debtor's Conference;
- viii. To make all reasonable efforts to assist bankruptcy counsel in preparing and filing schedules, statements of financial affairs, amendments thereto, and monthly operating reports on a timely basis;
- ix. To investigate and pursue all available chapter 5 causes of action and non-chapter 5 causes of action against creditors, whether they be insiders or non-insiders, members and other potential defendants;
- x. To cause Debtors to pay all UST Quarterly fees on a timely basis; and
- xi. To make all reasonable efforts to assist bankruptcy counsel in preparing and filing a plan and disclosure statement.

11. The undersigned further states that SRR has not shared, or agreed to share compensation from this engagement with any person or to otherwise violate the fee-splitting prohibition of 11 U.S.C. §504.

Further affiant sayeth not".


LORETTA R. CROSS

SUBSCRIBED AND SWORN TO BEFORE ME, on this 6th day of August, 2015.




NOTARY PUBLIC, STATE OF TEXAS

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

IN RE: LUCA INTERNATIONAL GROUP LLC¹ Debtors	§ Chapter 11 § § CASE NO. 15-34221-H2-11 § § Joint Administration Pending § Judge David R. Jones §
--	---

**ORDER APPROVING APPLICATION TO
EMPLOY CHIEF RESTRUCTURING OFFICER**

Luca International Group, LLC (“LIG”), Luca International Group (Texas) LLC (“LIGTX”), Luca Operation, LLC (“LOL”), Luca Barnet Shale Joint Venture, LLC (“LBSJV”), Luca Energy Fund LLC (“LEF”), Luca Energy Resources, LLC (“LER”), Luca Resources Group, LLC (“LRG”), Luca I, LP (“Luca I”), Luca II, LP (“Luca II”), Luca Oil, LLC (“Luca Oil”), Luca To-Kalon Energy, LLC (“LTKE”), and Luca Oil II Joint Venture (collectively “Debtors”), filed an Application to Employ Loretta Cross and Stout Sirius Ross as Chief Restructuring Officer and Financial Advisor (the “Application”). The Court finds that the Application should be granted. It is, therefore

ORDERED, ADJUDGED and DECREED as follows:

1. Pursuant to §327 of the Bankruptcy Code, Loretta R. Cross is appointed to act as the Chief Restructuring Officer (“CRO”).
2. Ms. Cross’ duties and responsibilities shall be as follows:
 - a. To act as Debtors’ CRO until further order of the Court;
 - b. To act as Debtors’ sole manager;
 - c. To be the sole signatory on Debtors’ DIP Payroll Account, and the DIP Operating Accounts;
 - d. To take control of all passwords for any electronic banking of Debtors, and to immediately change such passwords so that the CRO or persons designated by her are the only party who has access to Debtors’ electronic banking, such procedure to remain in effect pending further order of the Court;
 - e. To exercise sole authority to manage the business affairs of Debtors to the exclusion of any control being exercised by its sole member, manager, and

¹ The Debtors in these cases, along with the last four digits of their respective taxpayer ID numbers, are Luca International Group LLC (1086), Luca Operation, LLC (0343), Luca International Group (Texas) LLC (5577), Luca Barnet Shale Joint Venture, LLC (5340), Luca Energy Fund LLC (0677), Luca Energy Resources, LLC (0000), Luca Resources Group, LLC (1699), Luca I, LP (4104), Luca II, LP, (9778), Luca Oil, LLC (8161), Luca To-Kalon Energy LLC (3922), Luca Oil II Joint Venture (6604).

President Bingqing Yang, including, without limitation:

- i. To make all decisions regarding the hiring and firing of personnel;
 - ii. To make all decisions regarding the expenses incurred by Debtors, and the terms of disbursements made by Debtors for same;
 - iii. To issue joint interest billings to working interest owners and to collect same;
 - iv. To authorize the repairs and maintenance of estate assets;
 - v. To issue Authorization for Expenditures ("AFE") for the purpose of conducting workovers and/or drilling new wells.
- f. To make all reasonable efforts to consult with all secured creditors, unsecured creditors, parties-in-interest, the US Trustee, the Securities Exchange Commission ("SEC"), any committee of creditors appointed by the Court;
 - g. To make all reasonable efforts to present to the UST all information required for the Initial Debtor's Conference;
 - h. To make all reasonable efforts to assist bankruptcy counsel in preparing and filing schedules, statements of financial affairs, amendments thereto, and monthly operating reports on a timely basis;
 - i. To investigate and pursue all available chapter 5 causes of action and non-chapter 5 causes of action against creditors, whether they be insiders or non-insiders, members and other potential defendants;
 - j. To cause Debtors to pay all UST Quarterly fees on a timely basis; and
 - k. To make all reasonable efforts to assist bankruptcy counsel in preparing and filing a plan and disclosure statement.

3. The compensation to be paid to Ms. Cross shall be in accordance with normal billing practices for services rendered and out-of-pocket expenses incurred on Debtors' behalf. Ms. Cross' hourly rate will be \$495.00 per hour. Ms. Cross will be assisted by other SRR personnel whose rates are as follows:

- Director - John Baumgartner, CIRA, CDBV ----\$395.00 per hour
- Senior Analyst – Andrew Masotta ----- \$225.00 per hour

4. Ms. Cross and her personnel shall be compensated on a monthly basis, comparable to those established in other Chapter 11 cases. Ms. Cross shall present to Debtors and their counsel, the United States Trustee, the secured lenders, if any, and its counsel of a detailed statement of services rendered and expenses incurred by each professional for the prior month. If no timely objection is made, Debtors' would be authorized to pay eighty percent (80%) of the amount of fees incurred for the month and one hundred percent (100%) of expense disbursements for the month. All payments would be subject to the Court's subsequent approval as part of the normal fee application process.

5. All fees and expenses incurred by Ms. Cross and her personnel shall be subject to this Court's approval.

6. Debtors shall take any action deemed by Loretta R. Cross, if any, to document her appointment as the sole manager of Debtors under the terms of this order.

7. Ms. Cross may not be removed without further order of this Court.

Signed: August ____, 2015

DAVID R. JONES
CHIEF UNITED STATES BANKRUPTCY JUDGE