

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
TEMPLAR ENERGY, LLC, <i>et. al.</i> ,)	Case No. 20-11441 (BLS)
)	
Debtors. ¹)	(Jointly Administrated)
)	
)	Related to Docket Nos. 47, 103 and 165
)	

**DECLARATION OF CARL NEUHAUS IN SUPPORT OF
OBJECTION OF A2D TECHNOLOGIES, INC. D/B/A
TGS GEOLOGICAL PRODUCTS AND SERVICES TO (I) SALE MOTION;
AND (II) POTENTIAL ASSUMPTION AND ASSIGNMENT OF MASTER
LICENSE AGREEMENT AND RELATED SUPPLEMENTS**

I, Carl Neuhaus, hereby declare the following, under the penalty of perjury:

1. I am the Vice President of Well Data Products at A2D Technologies, Inc., a Texas Corporation, doing business as TGS Geological Products and Services (“TGS”). I have personal knowledge of the matters set forth in this declaration, and I am competent to make this declaration.

2. In 2009, I obtained a Bachelor of Science in Petroleum Engineering from Montanuniversitat Leoben, which is located in Austria. In 2011, I obtained a Master of Science in Petroleum Engineering from the Colorado School of Mines. Since that time, I have worked in a variety of positions in the oil and gas industry, all of which rely upon my education, training, and experience as a petroleum engineer. In my position with TGS, I am responsible for its well data business, which includes the licensing of well logs and related services to participants. I am familiar with and have experience with the products and services discussed in this declaration.

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Templar Energy LLC (4719), TE Holdcorp, LLC (6730), TE Holdings, LLC (3115), TE Holdings II, LLC (N/A), Templar Operating LLC (0810), Templar Midstream LLC (3275), and TE Holdings Management LLC (7467). The address of the Debtors’ corporate headquarters is 4700 Gaillardia Parkway, Suite 200, Oklahoma City, Oklahoma 73142.



3. TGS is a geoscientific data services company that is in the business, *inter alia*, of providing worldwide geoscientific data products and services to the oil and gas industry for the purpose of providing descriptions of subsurface geology for potential oil and gas exploration and/or production and other uses.

4. I submit this declaration in support of *A2D Technologies, Inc. d/b/a TGS Geological Products and Services to (I) Sale Motion; and (II) Potential Assumption and Assignment of Master License Agreement and Related Supplements* [Doc. No. 165] (the “**Objection**”).²

5. On December 19, 2018, TGS and debtor Templar Operating LLC (f/k/a Le Norman Operating LLC) (the “**Licensee**”) entered into a Master License Agreement (the “**MLA**”), pursuant to which the Licensee was granted a non-exclusive license to use, on a limited and restricted basis, certain proprietary geological information and data (collectively, the “**Data**”) as from time to time was ordered by the Licensee and prepared by TGS pursuant to supplemental agreements issued in accordance with the terms and conditions of the MLA. A true and correct copy of the MLA is attached to the Objection as Exhibit A.³

6. There are three Supplements to the MLA dated December 19, 2018, December 19, 2018 and March 22, 2019, respectively (collectively, the “**Supplements**” and together with the MLA, as the “**Agreement**”).

² Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Objection.

³ Prior to the MLA, Data was licensed under a LOG-LINE Plus[®] Operating Agreement dated March 05, 2010 and addenda thereto between TGS and Licensee (formerly known as White River Energy LLC). Pursuant to Supplement 1 of the MLA, such Supplement (to which the MLA terms apply) replaces any previous LOG-LINE Plus![®] Operating Agreements. Like the MLA, the LOG-LINE Plus![®] Operating Agreement granted Licensee a non-exclusive, non-transferable right to use the Data; required internal use only of the Data; and prohibited transfer of the Data without TGS consent, including payment of a transfer fee.

7. The Data licensed to the Licensee under the Agreement is extremely valuable, proprietary in nature, and contains sensitive and confidential information belonging to TGS.

8. The Data is created by TGS from information extracted from well logs containing various types of recorded data. Based on industry interest, TGS digitizes, analyzes, interprets, compares, extracts, splices, and/or merges the recorded information using, *inter alia*, proprietary software products and processes. By way of example, the following Data is produced by TGS:

Product Type	Description
Raster	TGS personnel mine a paper copy (hardcopy) of the well log from public and private sources. TGS digitizes the well log into a high resolution digital format for an easily viewable digital representation.
SmartRaster	A digitally depth-calibrated raster image in a proprietary .SIF file. Depth registration allows for import into industry visualization and interpretation tools. Data is mined by TGS personnel from public and private sources. Data is digitized and quality controlled by TGS personnel.
Standard LAS	An LAS file is originally recorded at the well head, or digitized from images, that typically includes as a minimum and where available, the following curves: gamma ray, spontaneous potential, caliper, resistivity (shallow, medium and deep), sonic and density (bulk, correction, and neutron/density porosity, PE). TGS geoscientists digitize 12-curve suites to provide the best essential log curves from surface to total depth, with curves of same name/description merged. Data is mined by TGS personnel from public and private sources, then analyzed and quality controlled by TGS personnel.
Validated Well Header	Critical well header attributes, location and borehole information merged into a single validated header for optimal well system accuracy. The validation process uses all available documentation to determine drilling events and all associated wellbores. Data is mined by TGS personnel from public and private sources. Processed and quality controlled by TGS personnel

9. TGS' unique and sophisticated additional processing and interpretation are applied to the well log information to create valuable proprietary Data for which TGS derives revenues and charges its customers.

10. Given the unique, sensitive, and proprietary nature of the Data, both TGS and its licensees recognize and treat the Data as valuable intellectual property and a trade secret. Indeed, the MLA expressly provides and emphasizes that the Data "constitutes valuable and highly

confidential trade secrets and intellectual property that are not generally available and are the sole property and proprietary information of TGS . . .” See MLA, at p. 3, §4.1.

11. The MLA further provides, among other things, that:

- The Licensee acquires only the *non-exclusive* right to use the Data in accordance with the MLA. See MLA, at p. 3, §2.1.
- The Licensee shall not Show,⁴ allow the Use⁵ of or Deliver⁶ the Data to any other person, except as specifically provided in the MLA. See id. at p. 4, § 4.2.
- The Licensee may not transfer the MLA, the Supplements, or any of its rights and obligations under the MLA or the Supplement except as expressly provided by the MLA or any Supplement. See id. at p. 4, § 7.1.
- Unless the Licensee has obtained the prior written consent of TGS, the MLA, the Supplements and any rights to use the Data “shall automatically terminate at the time an Acquisition occurs.”⁷ See id. at p. 4, § 7.2.
- TGS shall not withhold its consent unreasonably in the case of an Acquisition if the Licensee and/or Acquiror pay to TGS a fee in an amount equal to 20% of the undiscounted list price of the Data that is licensed from TGS by Licensee as of the date of the Acquisition. See id. at p. 5, § 7.3.

12. Under Supplement No. 3, a license fee of \$38,000 remains due and payable under the Agreement on March 22, 2021.

⁴ “Show” is defined in the MLA as “to give passive access to, or permit to be viewed by, a person.” See id. at p. 3, § 1.17.

⁵ “Use” is defined in the MLA as “to have, or be permitted access to, [Data] in a manner that allows a person to alter, or generate displays, interpretations or processing of, the [Data].” See id. at p. 3, § 1.20.

⁶ “Deliver” is defined in the MLA as “permit access, or actual or constructive possession of [Data] to any extent equal to or greater than that contemplated by the definitions of Show and Use, respectively, including any physical transfer or electronic or other transmission of [Data] on or through any medial or by any means whatsoever.” See id. at p. 3, § 1.7.

⁷ “Acquisition” is defined in the MLA to include the event of an Acquiror, directly or indirectly, acquiring all or substantially all of the assets of Licensee. See id. at p. 2, § 1.2. “Acquiror” is defined in the MLA to include “a person (or a group of persons acting in concert) who acquires, directly or indirectly, ... all or substantially all of the assets of Licensee...” See id. at p. 2, § 1.1.

13. The undiscounted list price of the Data under the Agreement is \$28,032,125.00; twenty percent (20%) of which is \$5,606,425.00. This amount reflects the total of any transfer fees and buy-out amounts due under the MLA and Supplements based on Data previously licensed by Debtor. This amount would be adjusted based on overlapping entitlement of the purchaser and the Licensee.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: July 13, 2020

/s/ Carl Neuhaus

Carl Neuhaus
Vice President of Well Data Products
A2D Technologies, Inc.