

Clay M. Taylor
State Bar No. 24033261
Bonds Ellis Eppich Schafer Jones, LLP
420 Throckmorton Street, Suite 1000
Fort Worth, Texas 76102
Telephone (817) 405-6900
Facsimile (817) 405-6902
clay.taylor@bondsellis.com
Attorneys for John Goodlett

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re:	§	Chapter 11
	§	
Vista Proppants and Logistics, LLC, et al. ¹	§	
	§	Case No. 20-42002-elm11
	§	Jointly Administered
Debtors.	§	
	§	

JOHN GOODLETT'S OBJECTION TO NOTICE OF CURE PROCEDURES

John Goodlett ("Goodlett"), files his Objection to Notice of Cure Procedures [Docket No. 407] ("Cure Notice").

1. Goodlett, as the lessor, and Lonestar Prospects, Ltd. ("Lonestar Prospects"), as the lessee, are parties to a Royalty Agreement dated February 25, 2015 ("the Royalty Agreement"). The Royalty Agreement is subject to four (4) amendments as follows:

- a. a first "Amendment to Royalty Agreement" executed on March 16, 2016;
- b. a second "Amendment to Royalty Agreement" effective as of August 23, 2015 wherein Lonestar Prospects d/b/a Vista Sand became a party to the Royalty Agreement as amended;
- c. a "Third Amendment to Royalty Agreement" effective as of May 8, 2019; and

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Vista Proppants and Logistics, LLC (7817) ("Vista OpCo"); VPROP Operating, LLC (0269) ("VPROP"); Lonestar Prospects Management, L.L.C. (8451) ("Lonestar Management"); MAALT Specialized Bulk, LLC (2001) ("Bulk"); Denetz Logistics, LLC (8177) ("Denetz"); Lonestar Prospects, Ltd. (4483) ("Lonestar Ltd."); and MAALT, LP (5198) ("MAALT"). The location of the Debtors' service address is 4413 Carey Street, Fort Worth, TX 76119-4219.



d. a “Fourth Amendment to Royalty Agreement” effective as of April 1, 2020.

2. The Royalty Agreement is listed as an executory contract to be assumed on page 10 of 13 of the Cure Notice.² and ³ The cure amount shown in the Cure Notice is \$32,098.

3. Goodlett objects to this cure amount. Lonestar Prospects has not been paid the pre-petition royalty due to Goodlett pursuant to the Royalty Agreement in the amount of \$25,740.23. Goodlett has filed his Proof of Claim in this amount and it was assigned Claim No. 160.

4. In addition, Lonestar Prospects will owe payments to Goodlett for the royalty on sand extracted and sold pursuant to the Royalty Agreement from and after the petition date to the extent they remain unpaid. Goodlett has been paid for the post-petition amount of sand extracted between June 9-30, 2020, but has not received any other payments.

5. Therefore, as of this filing of the Objection, Goodlett has not been paid for extracted and sold sand for the period of July 1, 2020 forward.

6. The pre-petition payments are calculated based upon the volume of sand extracted, and sold, from the facility by Lonestar Prospects. The Royalty Agreement provides that each royalty check “shall be accompanied by an unaudited royalty report showing in reasonable detail the tonnages of sand extracted from the Leased Property during the applicable month and sold (or used, if applicable) by Lessee to which the Royalty payment pertains.”

7. Without any information regarding the volume of sand extracted and sold by Lonestar Prospects, for the period of July 1, 2020 forward, Goodlett has no way to determine the accuracy of the proposed cure amount.

8. However, Goodlett will accept a cure proposed by Lonestar Prospects of \$40,098; which is the Debtor’s proposed Cure amount, plus:

a. \$8,000 as the reasonable and necessary fees and costs incurred, or to be incurred by Goodlett in protecting its rights under the Royalty Agreement in this case (for a total cure amount of \$40,098);

² Presumably this includes all amendments thereto.

³ Goodlett reserves all rights as to whether or not the Royalty Agreement is an Executory Contract capable of being assumed.

- b. documentation showing that the \$6,357.70 over the Debtor's proposed cure amount is the amount due under the Royalty Agreement for sand extracted sand sold thereunder for the time period of July 1-31, 2020;
- c. a stipulation that: (i) all amounts due and owing under the Royalty Agreement for August 2020's extraction and sale are to be paid no later than September 30, 2020, with the appropriate documentation submitted to Goodlett therewith,
- d. each month thereafter, payments will be made by the 30th day after the end of the month following the sand extraction and sale in accordance with the assumed Royalty Agreement; and
- e. that any and all payments for sand that has previously been extracted, but not yet sold by Lonestar Prospects, wherever it may be located, the royalty payment shall be made and accounted to Goodlett when that extracted sand is sold.

PRAYER

Goodlett objects to the cure amount as set forth in the Notice, and for such other and further relief which it may be entitled.

Dated: September 10, 2020.

Respectfully submitted,

/s/ Clay M. Taylor

Clay M. Taylor

State Bar No. 24033261

Bonds Ellis Eppich Schafer Jones LLP

420 Throckmorton St., Suite

Telephone: (817) 405-6900

clay.taylor@bondsellis.com

Attorneys for John Goodlett

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served via ECF electronic notice on September 10, 2020.

/s/ Clay M. Taylor

Clay M. Taylor