

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME Apache Energy Services, LLC
CASE NUMBER 15-60069

PETITION DATE September 18, 2015

MONTHLY OPERATING REPORT SUMMARY FOR:

MONTH	MONTH: August			YEAR: 2015					
	September	October	November	December	January	February	March		
REVENUES (MOR-6)	-	-	-	-	(12,031.00)	7,888.00	7,888.00		
INCOME BEFORE INT; DEPREC./TAX (MOR-6)	-	(70.08)	(282,789.57)	(179,235.60)	(1,221,125.37)	(2,910,286.56)	(109,990.79)		
NET INCOME (LOSS) (MOR-6)	-	(70.08)	(282,789.57)	(179,235.60)	(1,757,515.22)	(2,910,442.53)	(109,990.79)		
PAYMENTS TO INSIDERS (MOR-9)	-	-	-	-	-	-	-		
PAYMENTS TO PROFESSIONALS (MOR-9)	-	-	-	-	-	-	-		
TOTAL DISBURSEMENTS (MOR-7)	-	169,158.33	780,975.61	288,318.31	102,251.25	28,984.63	24,235.02		

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE	EXP. DATE	Are all accounts receivable being collected within terms?	Circle One no
CASUALTY	YES (x) NO ()	Are all post-petition liabilities, including taxes, being paid within terms?	Yes
LIABILITY	YES (x) NO ()	Have any pre-petition liabilities been paid?	Yes
VEHICLE	YES () NO () NA (x)	If so, describe: <u>Per court order allowing for certain payments</u>	
WORKERS	YES () NO () NA (x)	Are all funds received being deposited into the DIP bank account?	Yes
OTHER	YES () NO ()	Were any assets disposed of outside the normal course of business?	No
		If so, describe:	
		Are all U.S. Trustee Quarterly Fee Payments current?	Yes
		What is the status of the Plan of Reorganization?	

Plan filed and approved on 4/15/2016

ATTORNEY NAME Hugh Ray III
FIRM NAME McKool Smith
ADDRESS 600 Travis Street, Suite 700
CITY, STATE, ZIP Houston, TX 77002
TELEPHONE 713-485-7315

I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments, is true and correct.

SIGNED: *Loretta R. Cross* TITLE: Chief Restructuring Officer
Original Signature
Loretta R. Cross Date
Print Name of Signatory

NOTES:
The Plan of Reorganization has been filed and was approved on April 15, 2016.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME Apache Energy Services, LLC
CASE NUMBER 15-60069

COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE *	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	9/18/2015		September	October	November	December	January	February	March
CURRENT ASSETS									
Cash - Chase	520.35		425.35	0.00	0.00	0.00	0.00	0.00	0.00
Cash - Heartland	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Security Deposit	3,200.00		3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00
Rent Deposit	1,500.00		1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Prepaid Insurance	14,830.33		14,025.68	14,830.33	14,830.33	90,815.03	90,815.03	90,816.03	90,816.03
Net Trade Accounts Receivable	2,611,903.35		2,442,840.02	1,662,289.76	1,373,971.45	264,463.61	223,033.56	5,538.63	4,342.37
Employee Advance	122,207.64		122,207.64	122,207.64	122,207.64	122,207.64	122,207.64	122,207.64	122,207.64
Note Receivable	290,000.00		290,000.00	290,000.00	290,000.00	290,000.00	290,000.00	290,000.00	290,000.00
Accrued Interest on Note Receivable	28,960.28		28,960.28	28,960.28	28,960.28	33,806.86	36,190.42	36,190.42	36,190.42
Prepaid Expenses	64,630.69		64,630.69	64,630.69	64,630.69	58,408.84	58,408.84	58,408.84	58,408.84
Deferred Financing Costs	14,825.59		14,825.59	14,825.59	14,825.59	9,434.59	6,739.09	6,739.09	6,739.09
Deferred Loss on Sale-Leaseback	(62,635.01)		(62,635.01)	(62,635.01)	(62,635.01)	(40,609.85)	(29,597.27)	(29,597.27)	(29,597.27)
TOTAL CURRENT ASSETS	3,089,943.22	-	2,919,980.24	2,139,809.28	1,851,490.97	833,226.72	802,497.31	585,003.38	583,807.12
FIXED ASSETS	5,421,278.69		5,421,278.69	5,421,278.69	5,421,278.69	5,421,278.69	202,063.53	202,063.53	202,063.53
Less Accumulated Depreciation & Amortization *	(2,061,661.89)		(2,061,661.89)	(2,061,661.89)	(2,061,661.89)	(2,381,320.69)	(9,893.53)	(9,893.53)	(9,893.53)
NET FIXED ASSETS**	3,359,616.80	-	3,359,616.80	3,359,616.80	3,359,616.80	3,039,958.00	192,170.00	192,170.00	192,170.00
OTHER ASSETS									
Goodwill	1,897,380.00		1,897,380.00	1,897,380.00	1,897,380.00	1,897,380.00	1,897,380.00	1,897,381.00	1,897,381.00
TOTAL OTHER ASSETS	1,897,380.00	-	1,897,380.00	1,897,380.00	1,897,380.00	1,897,380.00	1,897,380.00	1,897,381.00	1,897,381.00
TOTAL ASSETS	8,346,940.02	-	8,176,977.04	7,396,806.08	7,108,487.77	5,770,564.72	2,892,047.31	2,674,554.38	2,673,358.12

Notes:

** Due to the sale of assets closed on 01/04/2016, the company performed a modified weighted-average purchase price allocation to reflect the asset sale.

The company will perform a detailed purchase price allocation and record an impairment to FMV on remaining assets at a later date.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME Apache Energy Services, LLC
CASE NUMBER 15-60069

COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE *	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	9/18/2015		September	October	November	December	January	February	March
LIABILITIES									
POST PETITION (MOR-4)									
Trade Accounts Payable				6,771.23	6,771.23	5,971.23	-	-	-
Sales Tax Payable				11,888.65	19,472.43	1,906.25	1,113.51	5,261.81	1,989.36
PRE-PETITION LIABILITIES									
Trade Accounts Payable	2,589,146.13		2,588,346.13	2,826,503.92	2,826,503.92	2,826,503.92	2,826,503.92	2,826,503.92	2,826,503.92
Accrued Liabilities	1,088,426.42		1,088,426.42	1,088,426.42	1,088,426.42	1,088,426.42	1,088,426.42	1,088,426.42	1,088,426.42
Sales Tax Payable **	315,111.22		315,111.22	148,370.75	148,370.75	148,370.75	45,900.71	45,900.71	45,900.71
Payroll Tax Payable	2,353.38		2,353.38	2,353.38	2,353.38	2,353.38	2,353.38	2,353.38	2,353.38
Net Intercompany *	10,457,684.55		10,288,591.65	9,928,669.08	9,660,476.64	10,263,564.54	10,400,517.35	10,468,378.27	10,580,445.25
TOTAL PRE-PETITION LIABILITIES	14,452,721.70	-	14,282,828.80	13,994,323.55	13,726,131.11	14,329,219.01	14,363,701.78	14,431,562.70	14,543,629.68
TOTAL LIABILITIES	14,452,721.70	-	14,282,828.80	14,012,983.43	13,752,374.77	14,337,096.49	14,364,815.29	14,436,824.51	14,545,619.04
OWNER'S EQUITY									
Equity & Minority Interest									
Current Period Profit (Loss)	(6,691,204.09)		(6,691,274.17)	(7,201,599.76)	(7,229,309.41)	(9,151,954.18)	(2,910,442.53)	(3,199,944.68)	(3,309,935.47)
Retained Earnings at filing date	585,422.41								
Retained Earnings post filing date			585,422.41	585,422.41	585,422.41	585,422.41	(8,562,325.45)	(8,562,325.45)	(8,562,325.45)
TOTAL OWNER'S EQUITY	(6,105,781.68)	-	(6,105,851.76)	(6,616,177.35)	(6,643,887.00)	(8,566,531.77)	(11,472,767.98)	(11,762,270.13)	(11,872,260.92)
TOTAL LIABILITIES & OWNER'S EQUITY	8,346,940.02	-	8,176,977.04	7,396,806.08	7,108,487.77	5,770,564.72	2,892,047.31	2,674,554.38	2,673,358.12

Notes:

*Change in Net Intercompany reflects the allocation of proceeds on the sale of assets to Enservco, post-petition professional and consulting fees and the collections of accounts receivable, and is not a pay down of intercompany payables.

** Reflects adjusted sales tax payable numbers related to receipt of tax free status paperwork received from Occidental Petroleum.

UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF TEXAS
 HOUSTON DIVISION

CASE NAME Apache Energy Services, LLC
 CASE NUMBER 15-60069

SCHEDULE OF POST-PETITION LIABILITIES

	FILING DATE 9/18/2015	MONTH `	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	MONTH February	MONTH March
TRADE ACCOUNTS PAYABLE	-	-		6,771.23	6,771.23	5,971.23	-	-	-
TAXES PAYABLE									
Federal Payroll Taxes									
State Payroll Taxes									
Ad Valorem taxes									
Sales Taxes				11,888.65	19,472.43	1,906.25	1,113.51	5,261.81	1,989.36
TOTAL TAXES PAYABLE	-	-	-	11,888.65	19,472.43	1,906.25	1,113.51	5,261.81	1,989.36
SECURED DEBT POST-PETITION									
ACCURED INTEREST PAYABLE									
ACCRUED PROFESSIONAL FEES *									
POST PETITION PREPAID RENT									
OTHER ACCRUED LIABILITIES									
TOTAL POST-PETITION LIABILITIES	-	-	-	18,659.88	26,243.66	7,877.48	1,113.51	5,261.81	1,989.36

Notes:

UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF TEXAS
 HOUSTON DIVISION

CASE NAME Apache Energy Services, LLC
 CASE NUMBER 15-60069

AGING OF POST-PETITION LIABILITIES
MONTH

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM TAXES	OTHER
0 - 30			-	1,989.36	-	-
31 - 60			-	-	-	-
61 - 90			-	-	-	-
91 +			-	-	-	-
TOTAL	-	-	-	1,989.36	-	-

AGING OF ACCOUNTS RECEIVABLE

DAYS		September	October	November	December	January	February	March
0 - 30		21,346.50	-	-	-	-	-	-
31 - 60		638,050.00	21,346.50	-	-	-	-	-
61 - 90		875,406.14	258,606.87	-	-	-	-	-
91 +		908,037.38	1,382,336.39	1,373,971.45	264,463.61	223,033.56	5,538.63	4,342.37
TOTAL	-	2,442,840.02	1,662,289.76	1,373,971.45	264,463.61	223,033.56	5,538.63	4,342.37

Notes:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME Apache Energy Services, LLC
CASE NUMBER 15-60069

STATEMENT OF INCOME (LOSS)

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO
		September	October	November	December	January	February	March	DATE
REVENUES									
Flow Meter Rental						804.00	7,888.00	7,888.00	16,580.00
Credits issued on pre-petition invoices						(12,835.00)	-	-	(12,835.00)
									-
TOTAL REVENUES (MOR-1)	-	-	-	-	-	(12,031.00)	7,888.00	7,888.00	(4,143.00)
OPERATING EXPENSES									
									-
Bank Service Charges		145.00	31.50	-	-	-	-	-	176.50
Insurance Premiums Received		(74.92)	(67.00)	-	-	-	-	-	(141.92)
Equipment Rental			3,140.00	-	-	-	-	-	3,140.00
Equipment Relocation			-	2,400.00	-	-	-	-	2,400.00
Payroll Expense			29,352.19	7,023.47	8,779.32	9,936.91	9,962.11	12,421.15	77,475.15
Professional Fees			207,027.39	151,844.13	114,846.75	138,552.94	278,590.09	97,447.64	988,308.94
Consulting Fees			41,500.00	13,410.00	11,345.62	12,132.00	9,990.00	8,010.00	96,387.62
Rent Expense			800.00	4,245.50	3,247.50	-	-	-	8,293.00
Travel Expense			525.56	307.05	1,285.57	-	-	-	2,118.18
Office Expense			479.93	5.45	-	-	-	-	485.38
Quarterly Trustee Fees					325.00	-	-	-	325.00
Insurance Expense*					75,474.02	-	-	-	75,474.02
Bad Debt Expense**					1,005,821.59	-	-	-	1,005,821.59
Loss on sale of assets						28,513.00	-	-	28,513.00
Gain on sale-leaseback						(5,506.29)	-	-	(5,506.29)
Loss on Stolen Assets						2,714,627.00	-	-	2,714,627.00
									-
TOTAL OPERATING EXPENSES	-	70.08	282,789.57	179,235.60	1,221,125.37	2,898,255.56	298,542.20	117,878.79	4,880,018.38
OPERATING INCOME	-	(70.08)	(282,789.57)	(179,235.60)	(1,221,125.37)	(2,910,286.56)	(290,654.20)	(109,990.79)	(4,884,161.38)
									-
									-
INCOME BEFORE INT, DEPR, TAX (MOR-1)	-	(70.08)	(282,789.57)	(179,235.60)	(1,221,125.37)	(2,910,286.56)	(290,654.20)	(109,990.79)	(4,884,161.38)
Depreciation Expense***					319,658.80				319,658.80
Interest Expense***					216,731.05	155.97	(1,152.05)		215,734.97
NET INCOME	-	(70.08)	(282,789.57)	(179,235.60)	(1,757,515.22)	(2,910,442.53)	(289,502.15)	(109,990.79)	(5,419,555.15)

Accrual Accounting Required, Otherwise Footnote with Explanation

* Footnote describing these expenses is mandatory

** Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

Notes:

* Insurance premiums were recorded as a prepaid asset on the parent's balance sheet and reported as a cash payment on the parent's MOR schedules. The expense amount for December reflects the allocation of post-petition premiums to the subsidiaries on a weighted-average basis in accordance with the company's accounting policy.

** The bad debt reserve was analyzed at year end in accordance with the company's accounting policy, and the expected recovery of outstanding accounts receivable has decreased, resulting in bad debt expense at year end.

*** Depreciation and interest expense for post-petition dates were recorded in December.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME Apache Energy Services, LLC
CASE NUMBER 15-60069

STATEMENT OF INCOME (LOSS)

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	MONTH February	MONTH March	FILING TO DATE
CASH, BEGINNING OF MONTH		520.35	425.35	0.00	0.00	0.00	0.00	0.00	520.35
RECEIPTS									
									-
Accounts receivable collections		169,063.33	780,550.26	288,318.31	102,251.25	28,984.63	226,033.69	24,235.02	1,619,436.49
Other *									-
TOTAL RECEIPTS	-	169,063.33	780,550.26	288,318.31	102,251.25	28,984.63	226,033.69	24,235.02	1,619,436.49
DISBURSEMENTS									
									-
									-
Bank Service Charges		95.00	-	-					95.00
									-
AR collections deposited to parent account		169,063.33	780,550.26	288,318.31	102,251.25	28,984.63	226,033.69	24,235.02	1,619,436.49
									-
Cash from closed bank accounts transferred to parent			425.35	-					425.35
									-
									-
TOTAL DISBURSEMENTS FROM OPERATION	-	169,158.33	780,975.61	288,318.31	102,251.25	28,984.63	226,033.69	24,235.02	1,619,956.84
									-
									-
TOTAL DISBURSEMENTS *	-	169,158.33	780,975.61	288,318.31	102,251.25	28,984.63	226,033.69	24,235.02	1,619,956.84
NET CASH FLOW	-	(95.00)	(425.35)	-	-	-	-	-	(520.35)
CASH, END OF MONTH	-	425.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Accrual Accounting Required, Otherwise Footnote with Explanation

* Numbers for the current month should balance (match) "Receipts" and "Checks/Other Disbursements" from MOR-8

Notes:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME Apache Energy Services, LLC
CASE NUMBER 15-60069

CASH ACCOUNT RECONCILIATION

BANK NAME	March	March	March	March	March	TOTAL
ACCOUNT NUMBER	2100024211	2100024229	171276880	113039250		
ACCOUNT TYPE	Heartland Checking	Heartland Checking	Chase Checking	Chase Checking		
BANK BALANCE	\$ -	\$ -	\$ -	\$ -		\$ -
DEPOSITS IN TRANSIT						-
OUTSTANDING CHECKS						-
OTHER ADJUSTMENTS						-
ADJUSTED BANK BALANCE	-	-	-	-	-	-
BEGINNING CASH - PER BOOKS	-	-	-	-		-
RECEIPTS*	24,235.02	-		-		24,235.02
TRANSFERS BETWEEN ACCOUNTS (WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR						-
ADJUSTMENT TO REFLECT LENDER SWEEP						-
CHECKS / OTHER DISBURSEMENTS *	(24,235.02)	-				(24,235.02)
ENDING CASH - PER BOOKS	-	-	-	-	-	-

* Numbers for the current month should balance (match) "Total Receipts" and "Total Disbursements" from MOR-7

Notes:

UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF TEXAS
 HOUSTON DIVISION

CASE NAME Apache Energy Services, LLC
 CASE NUMBER 15-60069

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals.

Also, for insiders, identify the type of compensation paid (e.g. salary, commission, bonus, etc.)

INSIDER: NAME / COMP TYPE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
		September	October	November	December	January	February	March
1. none				\$ -	\$ -			
2								
3								
4								
5								
6								
TOTAL INSIDERS	-	-	-	-	-	-	-	-

PROFESSIONALS	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
		September	October	November	December	January	February	March
1. none								
2								
3								
4								
5								
6								
TOTAL PROFESSIONAL FEES	-	-	-	-	-	-	-	-

Notes: