

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

In re:)	
)	Chapter 11
Quicksilver Resources Inc., <u>et al.</u> , ¹)	Case No. 15-10585 (LSS)
)	
Debtors.)	Jointly Administered
)	

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS,
METHODS, AND DISCLAIMERS REGARDING DEBTORS’ SCHEDULES
OF ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) are filing their respective Schedules of Assets and Liabilities (the “Schedules”) and Statements of Financial Affairs (the “Statements”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The Debtors, with the assistance of their advisors, prepared the Schedules and Statements in accordance with section 521 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

These Global Notes and Statement of Limitations, Methods, and Disclaimers Regarding Debtors’ Schedules of Assets and Liabilities and Statements of Financial Affairs (collectively, the “Global Notes”) pertain to, are incorporated by reference in, and comprise an integral part of all of the Schedules and Statements. These Global Notes should be referred to and reviewed in connection with any review of the Schedules and Statements.²

The Schedules and Statements have been prepared by the Debtors’ management and are unaudited and subject to further review and potential revision. In preparing the Schedules and Statements, the Debtors relied on financial data derived from their books and records as it was available at the time of preparation. The Debtors’ management and advisors have made reasonable efforts to ensure that they are as accurate and complete as possible under the circumstances based on information that was available to them at the time of preparation.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quicksilver Resources Inc. [6163]; Barnett Shale Operating LLC [0257]; Cowtown Drilling, Inc. [8899]; Cowtown Gas Processing L.P. [1404]; Cowtown Pipeline Funding, Inc. [9774]; Cowtown Pipeline L.P. [9769]; Cowtown Pipeline Management, Inc. [9771]; Makarios Resources International Holdings LLC [1765]; Makarios Resources International Inc. [7612]; QPP Holdings LLC [0057]; QPP Parent LLC [8748]; Quicksilver Production Partners GP LLC [2701]; Quicksilver Production Partners LP [9129]; and Silver Stream Pipeline Company LLC [9384]. The Debtors’ address is 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102.

² These Global Notes are in addition to any specific notes contained in each Debtor’s Schedules or Statements. The fact that the Debtors have prepared a Global Note with respect to any of the Schedules and Statements and not to others should not be interpreted as a decision by the Debtors to exclude the applicability of such Global Note to any of the Debtors’ remaining Schedules and Statements, as appropriate.

However, subsequent information or discovery may result in material changes to the Schedules and Statements, and inadvertent errors or omissions may exist. Notwithstanding any such discovery or new information, however, the Debtors may, but shall not be required to, update the Schedules and Statements.

Global Notes Control. In the event that the Schedules and Statements differ from the Global Notes, the Global Notes shall control.

Reservation of Rights. Nothing contained in the Schedules and Statements or these Global Notes shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases, including, but not limited to, any issues involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or recharacterization of contracts, assumption or rejection of contracts under the provisions of Bankruptcy Code chapter 3, or causes of action arising under the provisions of Bankruptcy Code chapter 5 or any other relevant applicable laws to recover assets or avoid transfers.

Description of the Case and "as of" Information Date. On March 17, 2015 (the "Petition Date"), each of the Debtors filed a petition for relief with the Bankruptcy Court under Bankruptcy Code chapter 11. The Debtors continue to operate their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. On March 19, 2015, the Bankruptcy Court entered an order jointly administering these cases pursuant to Bankruptcy Rule 1015(b). On March 25, 2015, the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed a statutory committee of unsecured creditors pursuant to Bankruptcy Code section 1102(a)(1) (the "Committee").

Unless specifically noted otherwise, all asset values are as of the Petition Date, and all other amounts listed in the Schedules and Statements are as of the Petition Date.

Corporate Structure. A description of the Debtors' corporate structure is set forth in the Declaration of Vanessa Gomez LaGatta in Support of First Day Pleadings, which was filed on the Petition Date.

Amendment. Although reasonable efforts were made to file complete and accurate Schedules and Statements, inadvertent errors or omissions may exist. Thus, the Debtors reserve all rights, but shall not be required to, to amend or supplement their Schedules and Statements from time to time as may be necessary or appropriate.

Basis of Presentation. For financial reporting purposes, the Debtors and certain of their non-Debtor affiliates historically prepare consolidated financial statements. Unlike the consolidated financial statements, the Schedules and Statements, except where otherwise indicated, reflect the assets and liabilities of each Debtor on a nonconsolidated basis. Accordingly, the totals listed in the Schedules and Statements will likely differ, at times materially, from the consolidated financial reports prepared by the Debtors for financial reporting purposes or otherwise.

Although these Schedules and Statements may, at times, incorporate information prepared in accordance with generally accepted accounting principles ("GAAP"), the Schedules and Statements do not purport to represent or reconcile financial statements otherwise prepared

or distributed by the Debtors in accordance with GAAP or otherwise. To the extent that a Debtor shows more assets than liabilities, this is not an admission that the Debtor was solvent at the Petition Date or at any time prior to the Petition Date. Likewise, to the extent that a Debtor shows more liabilities than assets, this is not an admission that the Debtor was insolvent at the Petition Date or at any time prior to the Petition Date.

Consolidated Accounts Payable and Disbursement System. The Debtors utilize consolidated accounts payable and disbursement systems in their day-to-day operations, the effect of which, in part, is that certain accounts payable and or payment detail is not readily available on a legal entity basis. Although efforts have been made to attribute open payable amounts to the correct legal entity, the Debtors reserve their right to modify or amend the Schedules and Statements to attribute such payable to a different legal entity, if appropriate. Payments made are listed by the entity making such payment, notwithstanding that many such payments may have been made on behalf of another entity.

Confidentiality. There may be instances within the Schedules and Statements where names and/or addresses have been suppressed. Contemporaneously herewith, the Debtors have filed the *Debtors' Motion for Entry of an Order Authorizing the Debtors to Redact and Seal the Identities of a Limited Number of Parties from Schedule G and SOFA 3(b)* seeking authority to redact and seal such information.

Intercompany Claims and Transfers. Receivables and payables among the Debtors in these cases (each an "Intercompany Receivable" or "Intercompany Payable") are reported in the Schedules. To the extent that a Debtor owes an Intercompany Payable, it is reported on Schedule F as a claim of such Debtor. To the extent a Debtor has an Intercompany Receivable, it is reported on Schedule B16 as an asset of such Debtor. While the Debtors have used reasonable efforts to ensure that the proper intercompany balances are attributed to each legal entity, all rights to amend these items on the Schedules and Statements are reserved.

Intercompany transfers can be characterized in many ways. The Debtors reserve all of their rights with respect to the intercompany balances listed in the analysis, including, but not limited to, the appropriate characterization of such intercompany balances and the amounts of such balances, which are still being identified by the Debtors.

The Debtors have listed all Intercompany Payables as unsecured nonpriority claims on Schedule F for each applicable Debtor, but reserve their rights, except as otherwise may be agreed to pursuant to a stipulation filed with the Bankruptcy Court, to later change the characterization, classification, categorization, or designation of such claims, including by designating all or any portion of the amounts listed as secured.

Insiders. For purposes of the Schedules and Statements, the term "insiders" shall have the meaning set forth in Bankruptcy Code section 101(31).

Persons listed in the Statements as insiders have been included for informational purposes only. The Debtors do not take any position with respect to (a) such person's influence over the control of the Debtors; (b) the management responsibilities or functions of such individual; (c) the decision-making or corporate authority of such individual; or (d) whether such individual

could successfully argue that he or she is not an insider under applicable law, including, without limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose.

Recharacterization. The Debtors have made reasonable efforts to characterize, classify, categorize, and designate the claims, assets, executory contracts, unexpired leases, and other items reported in the Schedules and Statements correctly. The Debtors reserve all rights to recharacterize, reclassify, recategorize, and redesignate items reported in the Schedules and Statements at a later time as is necessary or appropriate as additional information becomes available, including, without limitation, whether contracts listed herein were executory as of the Petition Date or remain executory postpetition and whether leases listed herein were unexpired as of the Petition Date or remain unexpired postpetition.

Summary of Significant Reporting Policies.

Current Market Value and Net Book Value. In many instances, current market valuations are neither maintained by nor readily ascertainable by the Debtors. It would be prohibitively expensive and unduly burdensome to obtain current market valuations of the Debtors' property interests that are not maintained or readily ascertainable. Accordingly, unless otherwise indicated, the Schedules and Statements reflect the net book values as of the Petition Date, rather than current market values, of the Debtors' assets as of the Petition Date and may not reflect the net realizable value. For this reason, amounts ultimately realized will vary, at some times materially, from net book value. Additionally, the amount of certain assets and liabilities may be "undetermined," and, thus, ultimate assets and liabilities may differ materially from those stated in the Schedules and Statements.

Liabilities. Unless otherwise indicated, all liabilities are listed as of the Petition Date.

Credits and Adjustments. The claims of individual creditors for, among other things, goods, products, services, or taxes are listed as the amounts entered on the Debtors' books and records and may not reflect credits, allowances, or other adjustments due from such creditors to the Debtors. The Debtors reserve all of their rights with regard to such credits, allowances, and other adjustments, including the right to assert claims objections and/or setoffs with respect to the same.

Leases. In the ordinary course of business, certain of the Debtors may enter into agreements titled as leases for property, minerals, or other real property interests and equipment from third-party lessors for use in the daily operation of their businesses. Any known pre-petition obligations of the Debtors' pursuant to the same have been listed on Schedule F. The underlying lease agreements are listed on Schedule G, or, if the leases are in the nature of real property interests under applicable state law, on Schedule A. Nothing in the Schedules and Statements is, or shall be construed to be, an admission as to the determination of the legal status of any lease (including whether any lease is a true lease, a financing arrangement or a real property interest), and the Debtors reserve all rights with respect to such issues.

Joint Interest Billings. The Debtors are the operators for a number of oil and gas wells in which the Debtors hold an interest, many under joint operating or joint exploration agreements

with other parties. In connection with the daily operation of those wells, the Debtors incur numerous lease operating expenses for which the Debtors are then reimbursed by their partners for their share of the expenses. Where the Debtors hold non-operating working interests in wells under various joint operating agreements, the Debtors reimburse the operator for its share of the relevant costs—production expenses, taxes, etc. The Debtors were authorized to make all payments on account of the foregoing under applicable first-day and second-day orders issued by the Bankruptcy Court (collectively, the “First Day Orders”), and such accrued and payable amounts are not reflected on the Schedules and Statements. For more information, readers should refer to the *Debtors’ Motion for Entry of Interim and Final Orders Authorizing the Debtors To Pay or Honor Pre-Petition and Post-Petition Royalty Obligations, Working Interest Obligations and Other Obligations Related to Oil and Gas Leases* [D.I. 13].

Excluded Assets and Liabilities. The Debtors have excluded certain categories of assets and liabilities from the Schedules and Statements, such as de minimis deposits, certain prepaid expenses, and accrued liabilities, including, without limitation, tax accruals, and accrued accounts payable. In addition and as set forth above, the Debtors have excluded accrued amounts for which the Debtors have been granted authority to pay pursuant to a First Day Order or other order that may be entered by the Bankruptcy Court. Other immaterial assets and liabilities may also have been excluded.

In addition, in the ordinary course of their business, the Debtors are party to pooling agreements that relate to certain of the Debtors’ oil and gas leases. Generally, pooling is the consolidation and combining of leased land with adjoining leased tracts. Pooling has the benefit to the production company of uniting all landowners’ leases into a common pool and utilizing one common underground geological reservoir. Such pooling agreements have not been included in response to the Schedules or Statements.

Undetermined Amounts. The description of an amount as “unknown,” “TBD,” or “undetermined” is not intended to reflect upon the materiality of such amount.

Estimates. To close the books and records of the Debtors as of the Petition Date and to prepare such information on a legal entity basis, the Debtors were required to make estimates, allocations, and assumptions that affect the reported amounts of assets and revenue and expenses as of the Petition Date. The Debtors reserve all rights, but shall not be required, to amend the reported amounts of assets, revenue, and expenses to reflect changes in those estimates and assumptions.

Totals. All totals that are included in the Schedules represent totals of all known amounts included in the Debtors’ books and records as of the Petition Date. To the extent that there are undetermined amounts, and to the extent that the Debtors made postpetition payments on prepetition claims pursuant to the First Day Orders or other order of the Bankruptcy Court, the actual total may be different from the listed total.

Classifications. Listing a claim (a) on Schedule D as “secured,” (b) on Schedule E as “priority,” or (c) on Schedule F as “unsecured priority,” or listing a contract or lease on Schedule G as “executory” or “unexpired” does not constitute an admission by the Debtors of the legal

rights of the claimant or a waiver of the Debtors' right to recharacterize or reclassify such claim, contract, or lease.

Claims Description. Any failure to designate a claim on a given Debtor's Schedules as "disputed," "contingent," or "unliquidated" does not constitute an admission by the Debtor that such amount is not "disputed," "contingent," or "unliquidated." The Debtors reserve all rights to dispute, or to assert any offsets or defenses to, any claim reflected on their respective Schedules on any grounds, including, without limitation, amount, liability, validity, priority, or classification, or to otherwise subsequently designate any claim as "disputed," "contingent," or "unliquidated." Listing a claim does not constitute an admission of liability by the Debtors, and the Debtors reserve the right, but shall not be required, to amend the Schedules accordingly.

Guarantees and Other Secondary Liability Claims. The Debtors have used their reasonable efforts to locate and identify guarantees and other secondary liability claims (collectively, the "Guarantees") in their executory contracts, unexpired leases, secured financing, debt instruments, and other such agreements. The Debtors' review of their contracts in such regard is ongoing. Where such Guarantees have been identified, they have been included in the relevant Schedule for the Debtor or Debtors affected by such Guarantees. The Debtors have placed Guarantee obligations on Schedule H for both the primary obligor and the guarantor of the relevant obligation. Such Guarantees were additionally placed on Schedule D or Schedule F, as appropriate, for each guarantor, except to the extent that such Guarantee is associated with obligations under an executory contract or unexpired lease identified on Schedule G. Further, certain Guarantees embedded in the Debtors' executory contracts, unexpired leases, secured financings, debt instruments, and other such agreements may have been inadvertently omitted. Thus, the Debtors reserve their rights to amend the Schedules to the extent that additional Guarantees are identified. In addition, the Debtors reserve the right, but shall not be required, to amend the Schedules and Statements to recharacterize or reclassify any such contract, lease, claim, or Guarantee.

Causes of Action. The Debtors, despite their efforts, may not have listed all of their causes of action (filed or potential) against third parties as assets in the Schedules and Statements. The Debtors reserve all of their rights with respect to any causes of action they may have, and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any such causes of action.

In the ordinary course of their business, from time to time, the Debtors become involved in litigation and informal disputes among third parties because the Debtors may hold funds on account of mineral or other interests that are the subject of the dispute. Where litigation has commenced, the funds in question are interpled into the applicable court; in other instances, i.e., where there is a dispute but no cause of action has been commenced, the Debtors hold the funds on account in suspense. With regard to litigation, upon the conclusion or settlement of the matter, the court typically orders that the interpled funds be paid to the appropriate party. With respect to informal disputes, upon receipt of a fully executed settlement agreement, the Debtors release the funds in question to the appropriate third party as directed by the settlement agreement. Because these funds are not property of their estates, the Debtors do not believe that they have any liability on account of such litigation. However, such causes of action are listed out of an abundance of caution. The Debtors reserve all of their rights with respect to such

causes of action. Listing a pending cause of action does not constitute an admission of liability by the Debtors, and the Debtors reserve the right to amend the Schedules accordingly.

Schedule A – Real Property. Under Texas law, which governs the Debtors' operations with respect to their oil and gas leases in the United States, a landowner's royalty interests, overriding royalty interests, non-executive mineral interests, and non-participating royalty interests are real property interests in land. The Debtors have included information about the leases governing such interests on Schedule A, but have not duplicated such leases on Schedule G regardless of whether such leases may be executory contracts within the meaning of Bankruptcy Code section 365. Specifically, the Debtors have included the county and state where such leases are located; however, the Debtors have not listed out each lease individually. The list of such leases is voluminous, making it unduly burdensome and costly for the Debtors to list out each lease individually on the Schedules. Upon reasonable request, the Debtors will provide to interested parties a full list of such leases, including a unique identifier and detailed description of each lease.

Certain of the leases reflected on Schedule A may contain renewal options, guarantees of payments, options to purchase, rights of first refusal, rights to lease additional lands, and other miscellaneous rights. Such rights, powers, duties, and obligations are not separately set forth on Schedule A. The Debtors hereby expressly reserve the right to assert that any lease listed on Schedule A is an executory contract within the meaning of Bankruptcy Code section 365. The Debtors reserve all of their rights, claims, and causes of action with respect to claims associated with any contracts and agreements listed on Schedule A or Schedule G, including their right to dispute or challenge the characterization or the structure of any transaction, document, or instrument (including any intercompany agreement) related to a creditor's claim.

Except where otherwise noted, the Debtors have included the book value of real property assets. With respect to certain oil and gas properties for which the value is undetermined on Schedule A, such properties are tested for impairment based on a ceiling test analysis. For further information about these impairment charges, readers should refer to Form 10-K (Annual Report) dated December 31, 2014 at pp. 89-90, which is available at <http://investors.qrinc.com/sec.cfm>. With respect to the oil and gas leases for which an undetermined value is reflected on Schedule A, a determination of the value of each lease would be unduly burdensome and cost prohibitive.

Certain of the responses on Schedule A indicate that the Nature of Debtor's Interest in Property includes both surface and mineral rights. Where a value of the Debtor's interest is provided in connection with such response, the value is attributable only to surface rights and not to mineral rights. The value of mineral rights is undetermined.

The Debtors are continuing their review of all relevant documents and reserve the right to amend all Schedules at a later time as necessary, or otherwise recharacterize their interests in such real property at a later date. Further, due to the volume of the Debtors' real and personal property holdings, the Debtors may have listed certain assets as real property when such holdings are, in fact, in the nature of personal property holdings or executory contract, or the Debtors may have listed certain assets as personal property assets when such holdings are, in fact, real property holdings. The Debtors reserve all of their rights, but shall not be required, to

recategorize and/or recharacterize such asset holdings at a later time to the extent that the Debtors determine that such holdings were improperly listed.

The Debtors' failure to list any rights in real property on Schedule A should not be construed as a waiver of any such rights that may exist, whether known or unknown at this time.

Schedule B – Personal Property. Personal property owned by any of the Debtors is listed in the Schedule B for that individual Debtor. To the extent that the Debtors have not been able to identify the actual physical location of certain personal property, the Debtors have reported the address of that individual Debtor's principal place of business.

Exclusion of certain intellectual property shall not be construed as an admission that such intellectual property rights have been abandoned, terminated, assigned, expired by their terms, or otherwise transferred pursuant to a sale, acquisition, or other transaction.

Schedule B(2) –Financial Accounts. Cash balances and account descriptions are as of March 17, 2015. In accordance with the *Supplemental Interim Order on Debtors' Motion for (A) Authority to (I) Continue Using Existing Cash Management System, (II) Honor Certain Pre-Petition Obligations Related to the Use of the Cash Management System, and (III) Maintain Existing Bank Accounts and Business Forms; and (B) An Extension of Time to Comply With Bankruptcy Code Section 345(b) and Local Rule 4001-3* [D.I. 185], the Debtors had until April 30, 2015 to comply with Bankruptcy Code section 345(b) and Rule 4001-3 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware. As of the filing of the Schedules, the Debtors are in compliance with the Bankruptcy Code 354(b) and Local Rule 4001-3 and certain accounts labeled as "investment accounts" have either been closed or converted to deposit accounts.

Schedule B(3) – Security Deposits With Public Utilities, Telephone Companies, Landlords and Others. By order dated April 14, 2015, the Court approved certain adequate assurance of payment for future utility service. In connection therewith, the Debtors provided certain deposits to utility providers which deposits are not listed on Schedule B, which is prepared as of the Petition Date. In addition, the Debtors have settled or are in the process of settling additional requests for certain security deposits with public utilities in accordance with the procedures set forth in that order. To the extent the Debtors have settled a request, such settlement is not listed on Schedule B, which is prepared as of the Petition Date.

Schedule B(9) – Interests in Insurance Policies. The Debtors' interests in insurance policies were disclosed in the *Debtors' Motion for Interim and Final Orders Authorizing, But Not Directing, the Debtors to (A) Continue Pre-Petition Insurance Coverage and (B) Maintain Funding for the Insurance Brokers* [D.I. 9] and the *Debtors' Motion for Entry of Interim and Final Orders Authorizing, but Not Directing the Debtors to (A) Pay Pre-Petition Employee Wages, Other Compensation, and Reimbursable Employee Expenses and (B) Continue Employee Benefits Programs* [D.I. 5]. The Debtors believe that there is little or no cash value in such insurance policies. Accordingly, such policies have not been listed on Schedule B.

Schedule B(13)– Stocks and interests in businesses and B(14) Interests in Partnerships or Joint Ventures. Equity interests in subsidiaries and affiliates primarily arise from common stock

ownership. Each Debtor's "Schedule B – Personal Property" lists such Debtor's ownership interests, if any, in subsidiaries and affiliates. For purposes of these Statements and Schedules, the Debtors have listed the value of such ownership interests as undetermined because the fair market value of such stock or interests is dependent on numerous variables and factors and may differ significantly from the net book value.

Schedule B(16) – Accounts Receivable. In the ordinary course of the Debtors' business, cash settlements must occur after the completion of an accounting settlement cycle, which typically takes 60 days following a production month-end. The timeframe to a net proceed calculation for a given production month requires the following steps: invoicing of joint interest partners and purchasers, payment of capital and operating expenses, receipt of gross sales revenues, receipt of gross gathering, processing and transportation expense payments, receipt of joint interest billing payments, and disbursement of payments to royalty owners. These steps are necessarily accomplished over the span of 60 days following the end of a production month. Accordingly, there is a significant amount of accounts receivable owed to the Debtors as of the Petition Date, which will be recouped in the ordinary course of business likely by the end of May or June.

The Debtors have not included an allowance for doubtful accounts receivable in their response to Schedule B.

Schedule B(21) – Other Contingent and Unliquidated Claims of Every Nature, Including Tax Refunds, Counterclaims of the Debtor, and Rights to Setoff Claims. In the ordinary course of their business, the Debtors may have or may accrue certain rights to refunds, counterclaims, setoffs, refunds with its customers and suppliers, or potential claims against its suppliers. Such claims are not known and quantifiable as of the Petition Date, and accordingly, are not listed on Schedule B.

Schedule B(22) – Patents, Copyrights, and Other Intellectual Property and B(23) – Licenses, Franchises, and Other General Intangibles. In the ordinary course of their business, the Debtors are required to obtain operating and other permits from federal, state, and local government authorities and from regulatory bodies. The Debtors believe that these permits have little or no cash value and have not included them in their response to Schedule B. Additionally, the Debtors own certain copyrights, URLs, and other intellectual property that have little or no cash value and have not included them in their response to Schedule B.

Schedule B(28) – Office Equipment, Furnishings and Supplies and B(29) – Machinery, Fixtures, Equipment and Supplies Used in Business. The Debtors' business is a complex enterprise. Although the Debtors have made every effort to ensure the accuracy of Schedules B(28) and B(29), inadvertent errors, omissions, or inclusion may have occurred. Additionally, there may be certain assets the value for which is included in a fixed asset group or certain assets with a net book value of zero which are not set forth on Schedule B(28) or B(29).

Schedule B(35) – Other Personal Property of Any Kind Not Already Listed. The Debtors' response to Schedule B(35) includes certain oil and gas derivatives. The commencement of these chapter 11 cases, however, represented an event of default under the Debtors' derivative agreements resulting in a termination right by counterparties on the

remaining derivative position at March 17, 2015. For further information on this topic, readers should refer to Form 10-Q (Quarterly Report) dated March 31, 2015 at Item 3, which is available at <http://investors.qrinc.com/sec.cfm>.

Schedule D – Creditors Holding Secured Claims. Except as otherwise agreed pursuant to a stipulation and agreed order or general order entered by the Bankruptcy Court that is, or becomes, final, the Debtors and their successors reserve the right to dispute or challenge the validity, perfection, or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a creditor listed on Schedule D of any Debtor. Moreover, although the Debtors may have scheduled claims of various creditors as secured claims for informational purposes, no current valuation of the Debtors' assets in which such creditors may have a lien has been undertaken.

The Debtors reserve all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument (including, without limitation, any intercompany agreement) related to such creditor's claim. In certain instances, a Debtor may be a co-obligor or guarantor with respect to scheduled claims of other Debtors, and no claim set forth on Schedule D of any Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities. The descriptions in Schedule D are intended to be only a summary. Reference to the applicable loan agreements and related documents and a determination of the creditors' compliance with applicable law is necessary for a complete description of the collateral and the nature, extent, and priority of any liens. Nothing in the Global Notes or the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements or related documents.

The claims listed on Schedule D arose, or were incurred, on various dates, and a determination of each date upon which each claim arose, or was incurred, would be unduly burdensome and cost prohibitive. Accordingly, not all such dates are included for each claim. All claims listed on Schedule D, however, appear to have arisen, or to have been incurred, prior to the Petition Date.

Real property lessors, utility companies, and other parties that may hold security deposits have not been listed on Schedule D. The Debtors have not included on Schedule D parties that may believe their claims are secured through setoff rights; deposits posted by, or on behalf of, the Debtors; or inchoate statutory liens rights.

The Debtors' Schedule D reflects an amount arising under the Amended and Restated Credit Agreement, dated as of December 22, 2011 (as amended, supplemented or otherwise modified, the "U.S. Credit Agreement"). As of the Petition Date and as set forth in the *Final Order Under 11 U.S.C. §§ 105, 361, 362, 363 and 507, and Bankruptcy Rule 2002, 4001 and 9014 (I) Authorizing Debtors to Use Cash Collateral, and (II) Granting Adequate Protections to Prepetition Secured Parties* [D.I. 307] (the "Final Cash Collateral Order"), aggregate principal amount due under the U.S. Credit Agreement was not less than \$137,300,000 and not less than \$9,700,000 in face amount of undrawn Letters of Credit (as defined in the U.S. Credit Agreement), plus accrued and unpaid interest, indemnification obligations, obligations arising under Swap Agreements (as defined in the U.S. Credit Agreement), Bank Products Obligations

(as defined in the U.S. Credit Agreement), and fees and expenses (including, without limitation, the reasonable fees and expenses of the Global Administrative Agent's attorneys, consultants, accountants, experts and financial advisors) and other obligations incurred in connection therewith. Additionally, Schedule D reflects an amount arising under the Amended and Restated Credit Agreement, dated as of December 22, 2011 (as amended and supplemented or otherwise modified, the "Canadian Credit Agreement"). As of the Petition Date and as set forth in the Final Cash Collateral Order, the aggregate principal amount due under the Canadian Credit Agreement was not less than \$97,500,000 and not less than \$28,500,000 in face amount of undrawn Letters of Credit (as defined in the Canadian Credit Agreement), plus accrued and unpaid interest, indemnification obligations, obligations arising under Swap Agreements (as defined in the Canadian Credit Agreement), Bank Products Obligations (as defined in the Canadian Credit Agreement) and fees and expenses (including, without limitation, the reasonable fees and expenses of the Canadian Administrative Agent's attorneys, consultants, accountants, experts and financial advisors) and other obligations incurred in connection therewith. Pursuant to the Final Cash Collateral Order, the Debtors have used proceeds from the termination of hedges to repay portions of the principal amount due under the U.S. Credit Agreement and Canadian Credit Agreement. As a result, as of June 5, 2015, the principal balance due under the U.S. Credit agreement was \$81,817,405 and under the Canadian Credit Agreement was \$82,734,606.³

Schedule E – Creditors Holding Unsecured Priority Claims. Listing a claim on Schedule E as "unsecured priority" does not constitute an admission by the Debtors of the legal rights of the claimant. The Debtors hereby expressly reserve the right to assert that any claim listed on Schedule E, including, but not limited to, claims in excess of \$12,475 (as applicable), does not constitute an unsecured priority claim under Bankruptcy Code section 507 thereby constituting an unsecured nonpriority claim.

By final order dated April 14, 2015, the Bankruptcy Court granted the Debtors authority to pay or honor certain prepetition obligations for employee wages, salaries, bonuses and other compensation, reimbursable employee expenses, and employee medical and similar benefits. The Debtors have not listed on Schedule E any wage or wage-related obligations for which the Debtors have been granted authority to pay pursuant to a First Day Order or other order that may be entered by the Bankruptcy Court. The Debtors believe that all such claims have been, or will be, satisfied in the ordinary course during their chapter 11 cases pursuant to the authority granted in the relevant First Day Order or other order that may be entered by the Bankruptcy Court.

The claims listed on Schedule E arose, or were incurred on, various dates and a determination of each date upon which each claim arose, or was incurred, would be unduly burdensome and cost prohibitive. Accordingly, not all such dates are included for each claim. All claims listed on Schedule E, however, appear to have arisen, or to have been incurred, on or before the Petition Date.

Schedule F – Creditors Holding Unsecured Nonpriority Claims. Pursuant to certain First Day Orders, the Bankruptcy Court has authorized the Debtors to pay certain outstanding prepetition claims, such as certain royalty obligations, employee wages and benefits claims, claims for taxes and fees, and utility claims. Although not all claims previously paid pursuant to

³ Based on an exchange rate from June 5, 2015.

a First Day Order will be listed in the Schedules and Statements, certain of these claims that have been paid may appear in the Schedules and Statements. Regardless of whether such claims are listed in the Schedules and Statements, to the extent that such claims are paid pursuant to an order of the Bankruptcy Court (including the First Day Orders), the Debtors reserve all rights to amend or supplement their Schedules and Statements as necessary and appropriate.

Listing a claim on Schedule F as “unsecured nonpriority” does not constitute an admission by the Debtors of any legal rights of the claimant. The Debtors hereby expressly reserve the right to assert that any claim listed on Schedule F does not constitute an unsecured nonpriority claim (including the right to assert that any such claim constitutes a secured or priority claim). Additionally, noting that a claim on Schedule F is “subject to setoff” does not constitute an admission by the Debtor of the legal rights of the claimant. The Debtors hereby expressly reserve the right to assert that any claim listed on Schedule F is not subject to setoff or dispute any claim to such setoff.

The Debtors have attempted to relate all liabilities to the applicable Debtor. However, due to the related nature of the Debtors’ businesses, debts of one Debtor may be inadvertently listed on the Schedules of another. Readers of the Schedules should review all of the Debtors’ Schedules for a complete understanding of the unsecured debts of the Debtors.

The Debtors may have certain rights of setoff and/or recoupment with respect to the claims set forth on Schedule F. The Debtors reserve all rights to challenge such setoff and/or recoupment rights asserted. Additionally, certain creditors may assert mechanic’s, materialman’s, or other similar liens against the Debtors for amounts listed on Schedule F. The Debtors reserve their right to dispute or challenge the validity, perfection, or immunity from avoidance of any lien purported to be perfected by a creditor listed on Schedule F.

Schedule F does not include certain deferred charges, deferred liabilities, accruals, or general reserves. Such amounts are, however, reflected on the Debtors’ books and records as required in accordance with GAAP. Such accruals are general estimates of liabilities and do not represent specific claims as of the Petition Date.

The claims listed on Schedule F arose, or were incurred, on various dates, and a determination of each date upon which each claim arose, or was incurred, would be unduly burdensome and cost prohibitive. Accordingly, not all such dates are included for each claim. All claims listed on Schedule F, however, appear to have arisen, or to have been incurred, prior to the Petition Date.

Schedule G – Executory Contracts and Unexpired Leases. Although reasonable efforts have been made to ensure the accuracy of Schedule G regarding executory contracts and unexpired leases, the Debtors’ review is ongoing, and inadvertent errors, omissions, or over-inclusion may have occurred.

Under Texas law, which governs the Debtors’ operations with respect to the oil and gas leases in the United States, a landowner’s royalty interests, overriding royalty interests, non-executive mineral interests, and non-participating royalty interests are real property interests in land. The Debtors have included the leases governing such interests on Schedule A, but have not

duplicated such leases on Schedule G regardless of whether such leases may be executory contracts within the meaning of Bankruptcy Code section 365. The Debtors hereby expressly reserve the right to assert that any lease listed on Schedule A is an executory contract within the meaning of Bankruptcy Code section 365.

Any and all of the Debtors' rights, claims, and causes of action with respect to the contracts, agreements, and leases listed on Schedule G are hereby reserved and preserved. The Debtors hereby reserve all of their rights to dispute the validity, status, and enforceability of any contracts, agreements, or leases set forth on Schedule G and to amend or supplement such Schedule as necessary.

The Debtors may have included certain interests in real property, such as easements, rights of way, and other interests on Schedule G. The placing of a contract or lease onto Schedule G shall not be deemed an admission that such contract is an executory contract or unexpired lease, or that it is necessarily a binding, valid, and enforceable contract. The Debtors hereby expressly reserve the right to assert that any agreement listed on Schedule G does not constitute an executory contract within the meaning of Bankruptcy Code section 365.

The Debtors may have entered into various other types of agreements in the ordinary course of their business, such as surety bond agreements, letters of credit, indemnity agreements, supplemental agreements, amendments/letter agreements, and confidentiality agreements. Such documents may not be set forth in Schedule G. Moreover, the contracts, agreements, and leases listed on Schedule G may have expired or may have been modified, amended, or supplemented from time to time by various amendments, restatements, waivers, estoppels, certificates, letters or other documents, instruments, and agreements that may not be listed on Schedule G. Portions of some contracts and leases that are listed on Schedule G may have been fully performed, while other portions of the same contracts and leases may remain executory or unexpired.

Certain of the contracts, agreements, and leases listed on Schedule G may contain renewal options, guarantees of payments, options to purchase, rights of first refusal, rights to lease additional space, and other miscellaneous rights. Such rights, powers, duties, and obligations may not be set forth on Schedule G.

Certain of the agreements listed on Schedule G may be in the nature of conditional sales agreements or secured financings. The presence of these agreements or any other agreements on Schedule G does not constitute an admission that any such agreement is an executory contract or unexpired lease.

The Debtors reserve all of their rights, claims, and causes of action with respect to the contracts and agreements listed on Schedule G, including the right to dispute or challenge the characterization or the structure of any transaction, document, or instrument. Certain executory agreements may not have been memorialized in writing and could be subject to dispute. Generally, executory agreements that are oral in nature have not been included in the Schedule. Further, the Debtors may be parties to various other agreements concerning real property, such as easements, rights of way, subordination, non-disturbance, supplemental agreements, amendments/letter agreements, title documents, consents, site plans, maps, and other miscellaneous agreements. Such agreements, if any, are not set forth in Schedule G.

The Debtors have attempted to list the appropriate Debtor parties to each contract, agreement, and lease on Schedule G. However, there may be instances in which other Debtor entities that are not parties to the contracts, agreements, and leases have been the primary entities conducting business in connection with these contracts, agreements, and leases. Accordingly, the Debtors have listed certain contracts, agreements, and leases on Schedule G of the Debtor entity corresponding to the applicable contracting entity, which may, upon further review, differ from the primary entity conducting business with the counterparty to that particular contract, agreement, or lease. Additionally, certain of the contracts, agreements, and leases listed on Schedule G may have been entered into by more than one of the Debtors.

The Debtors' interests in insurance policies were disclosed in the *Debtors' Motion for Interim and Final Orders Authorizing, But Not Directing, the Debtors to (A) Continue Pre-Petition Insurance Coverage and (B) Maintain Funding for the Insurance Brokers* [D.I. 9]. Accordingly, such policies have not been listed on Schedule G.

The Debtors have excluded contracts that have been rejected by order of the Bankruptcy Court from Schedule G.

Schedule H – Co-Obligors. Although the Debtors have made every effort to ensure the accuracy of Schedule H, inadvertent errors, omissions, or inclusions may have occurred. The Debtors hereby reserve all rights to dispute the validity, status, and enforceability of any obligations set forth on Schedule H and to further amend or supplement such Schedule as necessary.

The Debtors further reserve all rights, claims, and causes of action with respect to the obligations listed on Schedule H, including the right to dispute or challenge the characterization or the structure of any transaction, document, or instrument related to a creditor's claim. The listing of a contract, guarantee, or other obligation on Schedule H shall not be deemed an admission that such obligation is binding, valid, or enforceable.

In the ordinary course of their business, the Debtors are involved in pending or threatened litigation and claims arising out of the conduct of their business. These matters may involve multiple plaintiffs and defendants, some or all of whom may assert cross-claims and counter-claims against other parties. Because such claims are listed elsewhere in the Statements and Schedules, they have not been set forth individually on Schedule H.

Schedule H also reflects guarantees by various Debtors. The Debtors may not have identified certain guarantees that are embedded in the Debtors' executory contracts, unexpired leases, secured financings, debt instruments, and other such agreements. Further, the Debtors believe that certain of the guarantees reflected on Schedule H may have expired or may no longer be enforceable. Thus, the Debtors reserve their right, but shall not be required, to amend the Schedules to the extent that additional guarantees are identified or such guarantees are discovered to have expired or unenforceable.

Statements Question 2 – Other Income. From time to time, the Debtors may have de minimis income from sources other than the operation of business that is not provided in response to Statement Question 2.

Statements Question 3(b) and (c) – Payments to Creditors. The Debtors' response to Statement Question 3(b) may include remittances to the lessors of the Debtors' oil and gas leases of such lessors' share of revenue from the producing wells located on the respective leases pursuant to the terms of their oil and gas lease. In addition, the response may include remittances of overriding royalties to the owners of those interests, and the holders of non-executive mineral interests, as well as the holders of non-participating royalty interests pursuant to applicable agreements. Such remittances do not represent property of the Debtors' estates. In addition, the Debtors are obligated under various agreements to market the oil and gas production of certain owners of working interests to potential purchasers and remit the amounts due to the appropriate parties. Specifically, following the sale of production and the receipt of proceeds attributable thereto, the Debtors are obligated to remit the net amount of those proceeds belonging to the owner of the working interest, net of all applicable mineral interests, gathering costs, processing and transportation expenses, and production taxes, as applicable. Certain agreements require the Debtors to process and forward to the appropriate parties, from funds otherwise belonging to third parties, the amounts due on account of such interests and expenses. The foregoing amounts are not property of the Debtors' estates, but may be included in response to Statement Question 3(b).

All amounts that remain outstanding to any creditor listed on Statement Question 3 are reflected on Schedules D, E, and F, as applicable. Any creditor wishing to verify any outstanding indebtedness should review those schedules.

Certain intercompany transactions are accounted for through transfers of cash to and from appropriate bank accounts in and out of the Debtors' cash management system after certain adjustments are made to intercompany accounts receivable and accounts payable among the Debtors and their Debtor and non-Debtor affiliates. These payments and transactions have not been listed. However, readers of the Schedules and Statements wishing to verify any outstanding Intercompany Payables and Intercompany Receivables should refer to Schedules B16, D, or F, as applicable.

The Debtors' response includes payments made to such creditors who are or were insiders only to the extent that such payments were made during the time in which the creditor was an insider and only in that creditor's capacity as an insider.

Statements Question 3(c). The Debtors' response to Statements Question 3(c) includes certain payments made to insiders on or about February 27, 2015 on account of cash retention bonuses. For further information about these bonuses, readers should refer to Form 8-K (Current Report) dated February 27, 2015, which is available at <http://investors.qrinc.com/sec.cfm>. In addition, the Debtors' response reflects bonus payments generally made in accordance with the schedule below:

Date of Payment	Description
March 31, 2014	2013 Performance Bonus
May 30, 2014	2012 Retention Bonus (Second Installment)
July 15, 2014	2013 Retention Bonus
September 30, 2014	New Officer Sign-On Bonus
December 1, 2014	2014 Retention Bonus

December 19, 2014	2014 Performance Appreciation Payment
January 15, 2015	Promotion Bonus ⁴
January 15, 2015	2015 Retention Bonus
February 27, 2015	2014 Performance Bonus
February 27, 2015	2015 Retention Bonus (which program replaced and superseded certain contractual obligations from pre-existing retention bonus programs)

As disclosed in the *Debtors' Motion for Entry of Interim and Final Orders Authorizing, but Not Directing the Debtors to (A) Pay Pre-Petition Employee Wages, Other Compensation, and Reimbursable Employee Expenses and (B) Continue Employee Benefits Programs* [D.I. 5], the Debtors maintain, for all eligible full-time U.S. employees, a qualified defined contribution plan that meets the requirements of sections 401(a) and 401(k) of the Internal Revenue Code. Payments made under such plan for the benefit of insiders have not been listed in response to Statements Question 3(c) or 23.

Statements Question 7 – Gifts. Although the Debtors have made reasonable efforts to ensure that the gifts listed in response to Statements Question 7 include all gifts made, given the magnitude of the Debtors' operations, certain gifts may have inadvertently been omitted from the Statements. In addition, in connection with marketing efforts, certain employees may have made gifts on behalf of the company, which were reimbursed to such employees by the Debtors. Such gifts are not reflected on the response to Statements Question 7.

Statements Question 8 – Losses. The Debtors' response to Statements Question 8 includes losses that occurred within one year prior to the Petition Date through and including May 27, 2015.

Statements Question 9 – Payments Related to Debt Counseling or Bankruptcy. All payments related to debt counseling or bankruptcy made to the Debtors' advisors are listed on the Statements of Quicksilver Resources Inc. and represent payments made for themselves and their affiliates, except as specifically noted on the Statements. Payments made to Deloitte Transactions and Business Analytics LLP include payments made in connection with John Little's position as Strategic Alternatives Officer to the Debtors.

Statements Question 13 – Setoffs. The Debtors routinely incur setoffs and netting of payments during the ordinary course of their business. Setoffs and nettings in the ordinary course can result from various items including intercompany transactions, counterparty settlements, pricing discrepancies, rebates, returns, warranties, and other transaction true-ups. These normal setoffs and nettings are consistent with the ordinary course of business in the Debtors' industry and can be particularly voluminous, making it unduly burdensome and costly for the Debtors to list all normal set-offs. Therefore, normal setoffs and nettings are excluded from the Debtors' responses to Statements Question 13.

⁴ For further information about this Promotion Bonus, readers should refer to Form 8-K (Current Report) dated December 12, 2014 and Form 10-K/A filed March 18, 2014 for the period ending December 31, 2013, which are available at <http://investors.qrinc.com/sec.cfm>.

Statements Question 14 – Property Held for Another Person. In connection with their oil and gas assets, the Debtors are obligated, pursuant to their oil and gas leases and other agreements, to remit to the lessors of the oil and gas leases and potentially other parties their share of revenue from the producing wells located on the respective leases pursuant to the terms of their oil and gas lease. In addition, overriding royalties must be remitted to the owners of those interests, and the holders of non-executive mineral interests, as well as the holders of non-participating royalty interests, must receive the proceeds due to them pursuant to the applicable agreement. As of the Petition Date, the Debtors held approximately \$12.3 million owed to the holders of the mineral and other interests. The foregoing amounts were authorized to be paid under applicable First Day Orders, are not property of the Debtors' estates, and are not included in Statements Question 14. Included in the foregoing is approximately \$2.3 million attributable to suspended funds (the "Suspended Funds"). The Suspended Funds represent amounts that are due and owing to certain holders of mineral and other interests, but are otherwise unpayable for a variety of reasons, including incorrect contact information, ongoing disputes over ownership of the underlying interest, and failure to meet minimum payout requirements. To the extent that the issue preventing payment of Suspended Funds to a particular interest holder is resolved, the Debtors release the Suspended Funds in question.

The Debtors are obligated under various agreements to market the oil and gas production of certain owners of working interests to potential purchasers and remit the amounts due to the appropriate parties. Specifically, following the sale of production and the receipt of proceeds attributable thereto, the Debtors are obligated to remit the net amount of those proceeds belonging to the owner of the working interest, net of all applicable mineral interests, gathering costs, processing and transportation expenses, and production taxes, as applicable. Certain agreements require the Debtors to process and forward to the appropriate parties, from funds otherwise belonging to third parties, the amounts due on account of such interests and expenses. The foregoing amounts were authorized to be paid under applicable First Day Orders, are not property of the Debtors' estates, and are not included in Statements Question 14.

Pursuant to the Debtors' Joint Exploration Agreement with Eni Petroleum US LLC ("Eni"), dated November 1, 2013, as amended, and the Joint Operating Agreement attached thereto, the Debtors periodically make cash calls to Eni. Eni then transfers funds to the Debtors to pay for, and reimburse the Debtors for, expenses that the Debtors incur as operator related to wells drilled thereunder. Such deposits are made into a special account (the "ENI Operating Account"). By segregating the funds into the ENI Operating Account, funds intended for expenses pursuant to the joint operating agreement referenced above do not become commingled with funds used for general purposes in the U.S. Operating Account.

Statements Question 15 – Prior Addresses. From time to time, in the ordinary course of business, the Debtors buy and sell real property interests, including fee simple interests in land, in connection with their operations. The Debtors have not disclosed the addresses of these properties. Rather, the address of each Debtor's main center of operations or headquarters has been included in response to Statements Question 18(a).

Statements Question 17(b) – Environmental Information. The Debtors have endeavored to disclose all applicable information in response to Statements Question 17. The Debtors' tracking system for any spills, however, was updated in 2012 to allow for easier

recovery of such data. The Debtors have endeavored to include reportable spills or releases of Hazardous Material that occurred before 2012 in their response. However, to fully research and report such events that may have occurred before that time would require significant time and resources and as a result would be unduly burdensome.

Statements Question 18(a) – Location of Business. The Debtors have disclosed the address of each Debtor's main center of operations or headquarters and have not included information regarding any related ground stations, warehousing, or storage facilities, or any other site or location where a portion of a Debtor's business operations are conducted.

Statements Question 19(d) – Books, Records, and Financial Statements. Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, Quicksilver Resources Inc. has filed with the U.S. Securities and Exchange Commission (the "SEC") reports on Form 8-K, Form 10-Q, and Form 10-K. These SEC filings contain consolidated financial information relating to the Debtors. Additionally, consolidated financial information for the Debtors is posted on the company's website at www.qrinc.com. Because the SEC filings and the website are of public record, the Debtors do not maintain records of the parties that requested or obtained copies of any of the SEC filings from the SEC or the Debtors.

In addition, the Debtors provide certain parties, such as banks, auditors, potential investors, vendors, and financial advisors with financial statements that may not be part of a public filing. The Debtors do not maintain complete lists to track such disclosures. As such, the Debtors have not provided lists of these parties in response to this question.

Statements Question 21(b) – Current Partners, Officers, Directors and Shareholders. The Debtors have excluded from Statements Question 21(b) shareholders who hold less than five percent of each Debtor's voting or equity securities. For a full list of equity securities holders of Quicksilver Resources Inc., readers of the Schedules and Statements should refer to the *List of Equity Security Holders Pursuant to Fed. R. Bankr. P. 1007(a)(3)* [D.I. 145] filed on March 31, 2015.

Statements Question 23 – Distributions to an Insider. Payments to insiders have been listed in response to Statements Question 3(c). Certain intercompany transactions are accounted for through transfers of cash to and from appropriate bank accounts in and out of the Debtors' cash management system after certain adjustments are made to intercompany accounts receivable and accounts payable among the Debtor and its Debtor and non-Debtor affiliates. These payments and transactions have not been listed. However, readers of the Schedules and Statements wishing to verify any outstanding Intercompany Payables and Intercompany Receivables should refer to Schedules B16, D, or F, as applicable.

**United States Bankruptcy Court
District of Delaware**

In re **Makarios Resources International Holdings LLC**, Case No. **15-10592 (LSS)**
Debtor Chapter **11**

SUMMARY OF SCHEDULES

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors must also complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	ASSETS	LIABILITIES	OTHER
A - Real Property	Yes	1	\$0.00		
B - Personal Property	Yes	3	\$0.00		
C - Property Claimed as Exempt	No	0			
D - Creditors Holding Secured Claims	Yes	1		\$0.00	
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)	Yes	2		\$0.00	
F - Creditors Holding Unsecured Nonpriority Claims	Yes	1		\$0.00	
G - Executory Contracts and Unexpired Leases	Yes	1			
H - Codebtors	Yes	1			
I - Current Income of Individual Debtor(s)	No	0			N/A
J - Current Expenditures of Individual Debtor(s)	No	0			N/A
Total Number of Sheets of ALL Schedules		10			
			Total Assets	\$0.00	
			Total Liabilities	\$0.00	

In re **Makarios Resources International Holdings LLC**, Case No. **15-10592 (LSS)**

Debtor

SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim." If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

Description and Location of Property	Nature of Debtor's Interest in Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption	Amount of Secured Claim
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None

In re **Makarios Resources International Holdings LLC**, Case No. **15-10592 (LSS)**

Debtor

SCHEDULE B - PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petitioner is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property."

If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

Type of Property	N	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
	O N E			
1. Cash on Hand	X			
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.	X			
3. Security deposits with public utilities, telephone companies, landlords, and others.	X			
4. Household goods and furnishings, including audio, video, and computer equipment.	X			
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	X			
7. Furs and jewelry.	X			
8. Firearms and sports, photographic, and other hobby equipment.	X			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.	X			
10. Annuities. Itemize and name each issuer.	X			
11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).	X			
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.	X			

In re Makarios Resources International Holdings LLC, Case No. 15-10592 (LSS)

Debtor

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
13. Stock and interests in incorporated and unincorporated businesses. Itemize.		100% of Common Stock Ownership in Makarios Resources International Inc.		Undetermined
14. Interests in partnerships or joint ventures. Itemize.	X			
15. Government and corporate bonds and other negotiable and nonnegotiable instruments.	X			
16. Accounts receivable.	X			
17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	X			
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.	X			
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.	X			
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	X			
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	X			
22. Patents, copyrights, and other intellectual property. Give particulars.	X			
23. Licenses, franchises, and other general intangibles. Give particulars.	X			
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	X			
25. Automobiles, trucks, trailers, and other vehicles and accessories.	X			
26. Boats, motors, and accessories.	X			
27. Aircraft and accessories.	X			
28. Office equipment, furnishings, and supplies.	X			

In re Makarios Resources International Holdings LLC, Case No. 15-10592 (LSS)

Debtor

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
29. Machinery, fixtures, equipment, and supplies used in business.	X			
30. Inventory.	X			
31. Animals.	X			
32. Crops - growing or harvested. Give particulars.	X			
33. Farming equipment and implements.	X			
34. Farm supplies, chemicals, and feed.	X			
35. Other personal property of any kind not already listed. Itemize.	X			

In re **Makarios Resources International Holdings LLC**, Case No. **15-10592 (LSS)**

Debtor

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is the creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns).

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim Without Deducting Value of Collateral" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion, if Any" on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

Creditor's Name and Mailing Address Including Zip Code and an Account Number <i>(See Instructions Above)</i>	C O D E B T O R	Husband, Wife, Joint or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	Amount of Claim Without Deducting Value of Collateral	Unsecured Portion, if Any
		H W J C					
None							

0 continuation sheets attached

Total >
(Use only on last page)

\$0.00	\$0.00
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(Report also on Summary of Schedules)

(If applicable, report also on Statistical Summary of Certain Liabilities and Related Data)

In re Makarios Resources International Holdings LLC, Case No. 15-10592 (LSS)

Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

TYPES OF PRIORITY CLAIMS (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)

Domestic support obligations

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

Extensions of credit in an involuntary case

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

Wages, salaries, and commissions

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$11,725* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

Contributions to employee benefit plans

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

Certain farmers and fishermen

Claims of certain farmers and fishermen, up to \$5,775* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

Deposits by individuals

Claims of individuals up to \$2,600* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

Taxes and certain other debts owed to governmental units

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

Commitments to maintain the capital of an insured depository institution

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507(a)(9).

Claims for death or personal injury while debtor was intoxicated

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

In re Makarios Resources International Holdings LLC, Case No. 15-10592 (LSS)
 Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
 (Continuation Sheet)

Taxes and certain other debts owed to
 governmental units

Type Of Priority

C O D E B T O R	H U S B A N D, W I F E, J O I N T, O R C O M M U N I T Y	D A T E C L A I M W A S I N C U R R E D A N D C O N S I D E R E D F O R	U N C O N T R I B U T E D	D I S P U T E D	A M O U N T O F C L A I M	Amount not Entitled to Priority, if Any
						Amount Entitled to Priority
1	ACCOUNT NO:	Taxing Authority	X	X	X	Undetermined
	DELAWARE SECRETARY OF STATE DIVISION OF CORPORATIONS PO BOX 5509 BINGHAMTON, NY 13902-5509					Undetermined
2	ACCOUNT NO:	Taxing Authority	X	X	X	Undetermined
	TEXAS SECRETARY OF STATE CORPORATIONS SECTION P.O. BOX 13697 AUSTIN, TX 78711					Undetermined

Total >

(Report on Summary of Schedules)

Undetermined	Undetermined
	Undetermined

In re Makarios Resources International Holdings LLC, Case No. 15-10592 (LSS)

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS¹

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

Creditor's Name and Mailing Address Including Zip Code and an Account Number (See Instructions Above)	C O D E B T O R	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	Amount of Claim
		H	W				
ACCOUNT NO:							
None							

Footnote(s)

¹See Global Notes

In re Makarios Resources International Holdings LLC, Case No. 15-10592 (LSS)
Debtor

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser," "Agent," etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no executory contracts or unexpired leases.

Name and Address of Contract Party	Description of Contract or Lease and Nature of Debtor's Interest
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None

In re Makarios Resources International Holdings LLC, Case No. 15-10592 (LSS)
Debtor

SCHEDULE H - CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no codebtors

NAME AND ADDRESS OF CODEBTOR	NAME AND ADDRESS OF CREDITOR
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None

**United States Bankruptcy Court
District of Delaware**

In re **Makarios Resources International Holdings LLC** Debtor Case No. **15-10592 (LSS)**
Chapter **11**

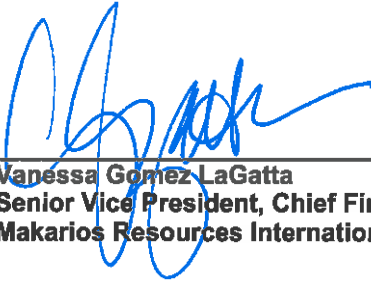
DECLARATION CONCERNING DEBTOR'S SCHEDULES

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, Vanessa Gomez LaGatta, the Senior Vice President, Chief Financial Officer and Treasurer of Makarios Resources International Holdings LLC, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 11 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date June 8, 2015

Signature



**Vanessa Gomez LaGatta
Senior Vice President, Chief Financial Officer and Treasurer
Makarios Resources International Holdings LLC**

*Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C. §§ 152 and 3571.*