

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

<b>In re:</b>	§	<b>Case No. 17-31646</b>
	§	
<b>MONTCO OFFSHORE, INC. and MONTCO OILFIELD CONTRACTORS, LLC,</b>	§	
	§	
<b>Debtors.</b>	§	<b>Chapter 11</b>
	§	
<b>MONTCO OILFIELD CONTRACTORS, LLC,</b>	§	
	§	
<b>Plaintiff,</b>	§	<b>Adversary No. _____</b>
	§	
<b>v.</b>	§	
	§	
<b>OFFSHORE SPECIALTY FABRICATORS, LLC, ALLIANCE ENERGY SERVICES, LLC, ALLIANCE SPECIAL VENTURES FUNDS, LLC, BAYOU BLACK ELECTRIC SUPPLY, LLC, SPARTAN INDUSTRIAL PRODUCTS, MORGAN CITY RENTALS, DELTA RIGGING &amp; TOOLS, INC., CENTRAL DISPATCH, INC., DHD OFFSHORE SERVICES, LLC, VIRAL INVESTMENTS, LLC, WORK BOAT ELECTRICAL SERVICES, LLC, SMITH MARINE TOWING CORPORATION, VERSABAR, INC., CROSBY TUGS LLC, ENCORE FOOD SERVICES, LLC, and DEEPCOR MARINE, INC.</b>	§	
	§	
<b>Defendants.</b>	§	

**ORIGINAL VERIFIED COMPLAINT**

1. Plaintiff Montco Oilfield Contractors, LLC (“MOC”) files this Original Complaint against Defendants Offshore Specialty Fabricators, LLC (“OSF”), Alliance Energy Services LLC (“Alliance”), Alliance Special Ventures Funds, LLC (“Alliance SVF”), Bayou

Black Electric Supply, LLC (“Bayou”), Spartan Industrial Products, LLC (“Spartan”), Morgan City Rentals (“Morgan”), Delta Rigging & Tools, Inc. (“Delta”), Central Dispatch, Inc. (“Central Dispatch”), DHD Offshore Services, LLC (“DHD”), Viral Investments, LLC (“Viral”), Work Boat Electrical Services, LLC (“Work Boat”), Smith Marine Towing Corporation (“Smith Towing”), Versabar, Inc. (“Versabar”), Crosby Tugs LLC (“Crosby”), Encore Food Services, LLC (“Encore”) and DeepCor Marine, Inc. (“DeepCor”) (collectively herein referred to as the “Defendants”). MOC avers as follows:

### **NATURE OF THE COMPLAINT**

2. MOC brings this action to enable it to perform its obligations under its prepetition agreement effective as of February 8, 2016 (as amended, the “Black Elk Contract”) with Black Elk Energy Offshore Operations, LLC (“Black Elk”), which was approved in the chapter 11 case of Black Elk, bearing case number 15-34287, in the United States Bankruptcy Court for the Southern District of Texas, Houston Division. MOC’s performance under the Black Elk Contract will allow OSF and certain of its creditors who are named as Defendants in this action to receive payment for certain of the debts referenced herein.

3. Under the Black Elk Contract, MOC agreed to perform certain decommissioning, plugging and abandonment work for Black Elk’s offshore oil and gas properties in accordance with federal regulations. MOC completed a substantial amount of the work in 2016 and has made significant progress on several of the remaining Jobs (as defined in the Black Elk Contract).

4. In order to continue performing the work and complete the outstanding Jobs, MOC requires the services of at least one of two highly specialized derrick crane barges owned by OSF, and which MOC has the right to charter pursuant to a June 2, 2016 Master Time Charter Agreement (the “Charter Agreement”). The barges are named the DB Swing Thompson (the

“Thompson”) and the DB William Kallop (the “Kallop,” and together with the Thompson, the “Derrick Barges”). The Derrick Barges are the only available barges currently operating in the Gulf of Mexico that can perform the work required under the Black Elk Contract this year at the turnkey prices set forth therein.<sup>1</sup>

5. OSF has not made the Derrick Barges available for charter as required by the Charter Agreement. OSF alleges that it cannot make the Derrick Barges available for charter because they have been placed under arrest by certain creditors of both OSF and MOC. Indeed, several creditors of OSF, defined below as the Creditor Defendants, have violated the automatic bankruptcy stay provisions of 11 U.S.C. § 362 by arresting the Derrick Barges and/or tortiously interfered with the Charter Agreement.

6. Through this action, MOC seeks to: (a) require OSF to specifically perform its obligations under the Charter Agreement, and permit MOC to use the services of the Derrick Barges so that MOC can continue to meet its obligations under the Black Elk Contract; and (b) cause the release of the Derrick Barges which have been arrested, and remain under arrest, by certain creditors of OSF in continuing violation of the automatic stay.

7. Permitting MOC to use the Derrick Barges to perform under the Black Elk Contract will help enable MOC to continue to meet its obligations to its creditors, including OSF. MOC currently owes OSF approximately \$9.6 million for services previously rendered. If MOC is able to use the Derrick Barges to perform its obligations under the Black Elk Contract, MOC will be able to make agreed upon payments to OSF on account of MOC’s post-petition work, which, in turn, will allow OSF to pay the Creditor Defendants for services performed for the Thompson and the Kallop. Indeed, OSF has agreed, in principle, to a channeling mechanism

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<sup>1</sup> Because of the relatively short window for P&A work in the Gulf of Mexico, completing the work under the Black Elk Contract this year means the barges must arrive on site no later than June 1, 2017 so that work can be completed by the end of October, 2017.

to allow for such payments to occur. For this reason, OSF's creditors who have arrested the Derrick Barges will be in a better position to receive payment on account of their claims should they release the barges and allow MOC to perform under the Black Elk Contract, than they otherwise would be in to the extent they continue to enforce the arrests.

8. Given the nature of its discussions with OSF, MOC believes that most of OSF's creditors would agree to the aforementioned channeling mechanism and release the Derrick Barges for MOC to perform its obligations. However, MOC is also advised that Alliance, which is a member of the unsecured creditors' committee in this chapter 11 case, and its affiliate, Alliance SVF, may be unwilling to release the Derrick Barges, unless and until they receive payments in full, regardless of other adequate protection of their claims.

9. By this action, MOC seeks: (a) issuance of a temporary restraining order, pursuant to 11 U.S.C. §§ 105 and 362(a)(3), immediately restraining the Creditor Defendants from retaining and/or obtaining possession of property of the estate or exercising control over property of the estate, including, without limitation, MOC's contractual rights to use and operate the Derrick Barges; (b) a temporary, preliminary, and permanent injunction restraining the Creditor Defendants from retaining and/or obtaining possession of the Derrick Barges or exercising control over the Derrick Barges absent further order from this Court; and (c) a determination by this Court that the Creditor Defendants must turn over the Derrick Barges pursuant to 11 U.S.C. § 542(a).

### **JURISDICTION**

10. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a "core proceeding" under 28 U.S.C. § 157(b)(2). MOC consents to the entry of a final order or judgment by this Court if it is determined that the Court,

absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

11. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

12. The statutory bases for the relief requested herein are 11 U.S.C. §§ 105, 362 and 542.

### **THE PARTIES**

13. Plaintiff MOC, a Louisiana limited liability company, is a project management, engineering and oilfield personnel service provider and general contractor. MOC's principal place of business is at 824 W. Sam Houston Parkway N., Suite 500, Houston, TX 77024.

14. Defendant OSF, a limited liability company organized under the laws of Louisiana, plans and executes facilities' installation and decommissioning projects in the Gulf of Mexico. OSF owns and operates derrick barges, cargo barges, tugs, anchor handling tugs, supply vessels, utility vessels, and crew boats. Its services include installation and dismantling of offshore platforms, single and dual barge heavy lifts, ASME-coded vessel shops, platform leasing, load-outs and off-loads, and versatile support fleet. OSF's principal place of business is at 115 Menard Road, Houma, Louisiana 70363.

15. Defendant Alliance, a limited liability company organized under the laws of Louisiana, is a provider of marine transportation, liftboat, and well services to oil and gas exploration companies and engineering and project management firms. Alliance is both a competitor and a significant creditor of MOC and at one time assisted MOC with work for the Black Elk Contract. It is also a member of the Committee in this chapter 11 case. Moreover, Alliance's Chief Operating Officer, Stephen Williams, formerly served as Chief Executive

Officer of OSF and is the signatory to the Charter Agreement.<sup>2</sup> Alliance's principal place of business is at 1254 Valhi Blvd., Houma, Louisiana 70360.

16. Defendant Alliance SVF is a limited liability company organized under the laws of Louisiana. Alliance SVF's principal place of business is 11095 Highway 308, Larose, Louisiana 70373.

17. Defendant Bayou is a limited liability company organized under the laws of Louisiana. Bayou provides electrical supplies to the marine, oilfield, agriculture, industrial, fabrication and commercial markets. Bayou's principal place of business is at 5086 Highway LA-311, Houma, Louisiana 70360.

18. Defendant Spartan, is a limited liability company organized under the laws of Louisiana. Spartan is a distributor of industrial, oilfield, dock & metal hose & expansion joints, control cables, and safety equipment. Spartan's principal place of business is at 1697 Grand Caillou Rd., Houma, Louisiana 70363.

19. Defendant Morgan is a limited liability company organized under the laws of Louisiana. Morgan supplies the offshore oilfield industry with industrial rental and rigging needs. Morgan's principal place of business is at 7893 Hwy 182 East, Morgan City, Louisiana 70380.

20. Defendant Delta is a Delaware corporation. Delta provides lifting products and services. Delta's principal place of business is at 125 McCarty, Houston, Texas 77029.

21. Defendant Central Dispatch is a Louisiana company that has provided agency services, pilotage, dockage, customs house, warehouse and other miscellaneous services to the Derrick Barges. Central Dispatch's principal place of business is at 1800 4th Street, Harvey, Louisiana 70058.

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<sup>2</sup> Stephen Williams simultaneously served as CEO of OSF and COO of Alliance.

22. Defendant DHD is a limited liability company organized under the laws of Louisiana. DHD offers personnel services for inshore and offshore oilfield construction projects. DHD's principal place of business is at 7889 Hwy 182 E, Morgan City, Louisiana 70380.

23. Defendant Viral is a limited liability company organized under the laws of Louisiana. Viral maintains its principal place of business at 11095 Highway 308, Larose, Louisiana 70373.

24. Defendant Work Boat is a limited liability company organized under the laws of Louisiana, providing vessel owners, shipyard, naval architects and other marine professionals. Work Boat's principal place of business is located at 4836 Freedom Road, Houma, Louisiana 70360.

25. Defendant Smith Towing, a Louisiana company, is a full service marine towing and logistics company. Smith Towing's principal place of business is located at 1116 Jackson Road, Morgan City, Louisiana 70381.

26. Defendant Versabar, a Louisiana company, provides development and application of heavy lifting and pulling solutions. Versabar's principal place of business is located at 1111 Engineers Road, Belle Chasse, Louisiana 70037.

27. Defendant Crosby, a Louisiana company, is a privately-owned tugboat operator. Crosby's principal place of business is located at 17771 Hwy 3235, Galliano, Louisiana 70354.

28. Defendant Encore is a limited liability company organized and existing under the laws of Louisiana. Encore provides food and catering services, supporting the oil and gas industry. Encore's principal place of business is at 315 Barrow Street, Houma, Louisiana 70360.

29. Defendant DeepCor, a Delaware corporation, is a privately owned commercial diving company. DeepCor's principal place of business is listed at 1610 St. Etienne Road, Broussard, Louisiana 70518.

30. Non-party Black Elk was a Texas limited liability company and the owner and operator of several oil drilling platforms and oil wells located in the Gulf of Mexico.

31. Defendants Alliance, Alliance SVF, Bayou, Spartan, Morgan, Delta, Central Dispatch, DHD, Viral, Work Boat, Smith Towing, Versabar, Crosby, Encore and DeepCor are collectively referred to herein as the "Creditor Defendants."

32. Defendants and MOC are collectively referred to herein as the "Parties."

## **FACTS**

### **A. MOC's Business**

33. As a general contractor, MOC utilizes the services of hundreds of vendors and subcontractors throughout the Gulf of Mexico for an array of oil and gas offshore projects, including platform construction, installation, modification, repair, flushing, make-safe removal preparation and decommissioning; well intervention, recompletion and abandonments including both sub-sea and hurricane-damaged wells; pipeline flushing and abandonment; site clearance verification; and trawling projects.

34. MOC also provides, either directly or through its vendors, highly qualified and industry-proven oilfield personnel, including project management professionals, professional engineers, project coordinators, petroleum engineers, mechanical engineers, structural engineers, naval architects, drafters, wellsite managers, clerks, safety representatives, medics, safety and environmental management ("SEMS") coordinators, SEMS auditors, logistics coordinators and dock dispatchers.



35. With safety as its highest priority, MOC provides SEMS compliance assurance on each and every project through its own operator-equivalent SEMS, which are monitored and managed by MOC's SEMS steering committee and SEMS-proficient project managers, ultimate work authorities ("UWAs") and clerks. In 2016, MOC recorded over 1.57 million man hours worked, completing 156 well Plugging and Abandonment ("P&A") projects, 50 platform removals, 63 pipeline abandonments, and 39 sites trawled and cleared, while simultaneously managing 4 rigless-well temporary abandonment ("TA") and permanent abandonment ("PA") operations, 4 heavy-lift vessels, 2 make-safe spreads, 2 hydrocarbon-free spreads, 3 site-clearance verification vessels, 22 marine support vessels, and 3 shorebase operations, all with a remarkably low 0.38 recordable incident rate ("TRIR").

36. MOC manages each project from start to finish, including: determining the necessary size of a required vessel(s); crafting schematics and procedures; pre-job spud meetings with all vendors; mobilization and equipment requirements; drafting and submitting regulatory filings; obtaining permits and other governmental approvals; and providing UWAs, offshore oversight representatives, and on-location clerks for purposes of providing daily reporting. On any given project, MOC may utilize upwards of 50 different subcontractors in order to complete a work scope. Depending on the scope of work, a project may last anywhere from two weeks to 5 months.

**B. Black Elk's Bankruptcy Case and the Black Elk Contract**

37. On August 11, 2015, certain creditors of Black Elk filed an involuntary chapter 7 petition in the United States Bankruptcy Court for the Southern District of Texas, Houston Division, against Black Elk.

38. On September 1, 2015, the case was voluntarily converted from a chapter 7 to a chapter 11 case (the "Black Elk Case").

39. On or about March 2, 2016, Black Elk and MOC executed the Black Elk Contract, which was approved by the Court.

**C. The Master Time Charter Agreement**

40. On June 2, 2016, OSF and MOC entered into a Charter Agreement related to the use of the services of the Derrick Barges, to permit MOC to perform services required under the Black Elk Contract.

41. The Charter Agreement was executed by Stephen Williams as Chief Executive Officer of OSF. Stephen Williams is now Chief Operating Officer of Alliance.

42. The Thompson is a 1,320 ton floating crane derrick barge built in 1977. The Thompson is one of the largest and most powerful floating cranes operating in the Gulf of Mexico. It is unique because it has the ability to make lifts up to 1,322 tons 98' from the radius of the center of Rotation of the crane. This large lifting capacity at 98' separates it from most other barges where there are very few vessels that can reach out as high or far out with this lifting capacity window. The Thompson has a three block system with an auxiliary crane with 275 tons lifting capacity at 262' that also separates the Thompson from other working cranes. It is pictured below:



43. The Kallop is a 1,765 ton floating crane derrick barge built in 1997. The Kallop is also one of the largest and most powerful floating cranes operating in the Gulf of Mexico. A large gap exists between the Kallop and other floating cranes operating in the Gulf of Mexico which are in the 5,000 to 6,000 ton range. The Kallop is unique because it has the ability to make lifts in the 1,200 to 1,720 ton range where there are very few vessels that can reach out as high or far out within a capacity window. The Kallop also has a four block system, with each block rated at 440 short tons each which makes it safer than other comparable crane barges and reduces rigging costs. It is pictured below:



44. Pursuant to Paragraph 1 of the Charter Agreement, OSF agreed to make the Derrick Barges available for MOC's use and, if not available, to provide 60 days' written notice to MOC that either Derrick Barge would not be available to MOC during a particular time frame. OSF did not provide MOC 60 days' notice that either Derrick Barge is currently unavailable for charter.

45. While the Charter Agreement does not obligate MOC to order or hire either Derrick Barge from OSF, Paragraph 2 does obligate OSF to accept such orders at a mutually agreed upon price set forth in Schedule A to the Charter Agreement.

46. In addition, pursuant to Paragraph 5 of the Charter Agreement, OSF is required to furnish, at its own cost and expense, a skillful and qualified crew sufficient to operate either Derrick Barge and carry out MOC's assignments properly, and with good seamanship and workmanlike performance.

47. Although Paragraph 8 of the Charter Agreement does address the impact of an arrest of the Derrick Barges on MOC's payment obligations to OSF where the arrest was not "procured or occasioned by the acts of [MOC]," the Charter Agreement does not provide that the ship is not available for service under the Charter Agreement when it has been placed under arrest.

**D. Unforeseen Issues Under the Black Elk Contract**

48. Immediately after the Court approved the Black Elk Contract, MOC commenced the P&A work, in an effort to complete the work in a safe and efficient manner during favorable-weather months in the Gulf of Mexico.

49. Over the course of 2015 and 2016, MOC, through its subcontractors and vendors, completed a substantial amount of the obligations pursuant to the Black Elk Contract, removing 33 platforms, completing 129 well P&A projects, and abandoning 41 pipelines. Indeed, in 2016 alone, of the over \$100 million in milestones under the Black Elk Contract, MOC achieved close to \$75 million.

50. To date MOC has completed approximately 75% of the work to be completed under the Black Elk Contract.

51. However, a combination of in-the-field, impossible-to-anticipate complications, slow turnaround times with respect to governmental approvals (both on the front end related to permitting and on the back end related to site clearance), and delayed collateral releases plagued MOC with severe cash flow problems, and also immensely increased the costs associated with performance under the Black Elk Contract. These unforeseen – and, with respect to MOC, unforeseeable – circumstances, undermined MOC's ability to timely and fully pay its subcontractors for the work performed for Black Elk and its affiliates, and resulted in severe cost overruns that could not have been anticipated, ultimately leading MOC to file for bankruptcy.

**E. Defendants Prevent MOC from Meeting its Obligations Under the Black Elk Contract**

52. In order to perform all of its obligations under the Black Elk Contract, MOC requires that OSF satisfy its obligations under the Charter Agreement and permit MOC to use the services of one or both of the Derrick Barges. OSF, however, has breached the Charter Agreement and not permitted MOC to use the services of either Derrick Barge because the Derrick Barges have been arrested.

53. The Derrick Barges are the only barges that are potentially available to complete the work required under the Black Elk Contract in 2017 for the prices set forth in the agreement.

54. As a result of the financial pressure on OSF from unpaid work pertaining to the Black Elk Contract, at least five different suits have been filed seeking to arrest the Thompson or the Kallop, which remain active today.<sup>3</sup> They are styled: (1) *Alliance Special Ventures Funds, LLC v. William Kallop DB, et al*, C.A. No. 2:17-cv-02179-SM-MBN filed in the United States District Court for the Eastern District of Louisiana (the “Alliance Action”); (2) *Bayou Black Electric Supply, LLC., et al v. William Kallop D/B et al.*, C.A. No. 2:17-cv-02109-SM-JCW, filed in the United States District Court for the Eastern District of Louisiana (the “Bayou Action”); (3) *Central Dispatch, Inc. v. William Kallop DB et al.*, C.A. No. 2:17-cv-03458-EEF-JVM, filed in the United States District Court for the Eastern District of Louisiana (the “Central Dispatch Action”); (4) *DHD Offshore Services, LLC, et al. v. D/B William Kallop, et al.*, C.A. No. 2:17-cv-02824-KDE-MBN, filed in the United States District Court for the Eastern District of Louisiana (the “DHD Action”); and (5) *DeepCor Marine, Inc. v. Montco Inc., et al*, C.A. No.

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<sup>3</sup> C-Dive, LLC filed an *in rem* action to arrest the Thompson on May 19, 2016, in the United States District Court for the Eastern District of Louisiana styled *C-Dive LLC v. William Kallop DB, et al.*, C.A. No. 2:16-cv-06541-JTM-JCW, however, that action was voluntarily dismissed on June 14, 2016.

17-cv-01595-KDE-JVM, filed in the United States District Court for the Eastern District of Louisiana (the “DeepCor Action”).

**The Alliance Action**

55. Alliance SVF filed the Alliance Action on March 15, 2017, which seeks to arrest the Kallop and the Thompson to be sold under the direction of the court with proceeds to satisfy all monies owed to Alliance SVF.

56. The Alliance Action primarily arises from Alliance SVF’s March 3, 2017 purchase of certain obligations OSF owed to Rouse’s Enterprises LLC (“Rouse”) for \$130,000.00. The Alliance Action alleges that through November 17, 2016, Rouse invoiced OSF for \$108,158.89 for supplies and victuals provided to the Kallop and through November 8, 2016 invoiced OSF for \$49,158.89 for supplies and victuals provided to the Thompson, both of which OSF allegedly failed to pay.

57. In addition, the Alliance Action alleges that in 2016, pursuant to a Master Time Charter Agreement dated June 14, 2016, Alliance provided support vessels, including crew boats and supply vessels, to OSF in support of its operations, and to transport supplies and personnel to and from the Kallop for which Alliance invoiced OSF \$6,780.00 on October 6, 2016 and \$47,550.00 on October 14, 2016. On March 7, 2017, Alliance assigned all of its rights and title to the Alliance invoices to Alliance SVF for \$44,500.00.

58. Work Boat, Smith Towing, Versabar, Crosby, and Encore subsequently intervened in the Alliance Action. Work Boat alleges it is owed \$56,896.21 for repairs and services it provided to the Thompson. Smith Towing alleges it provided services to the Thompson and the Kallop for which it is owed \$86,076.25. Versabar alleges that it has provided services to the Kallop for which it has not been paid totaling \$206,862.89 and to the Thompson totaling \$46,700.00. Crosby alleges it provided services to the Thompson and the Kallop for



which it has not been paid totaling \$2,134,772.60. Encore alleges OSF owes \$5,312.50 for food and catering services provided to the Kallop and \$37,518.59 for food and catering services provided to the Thompson.

59. On May 1, 2017, the United States District Court for the Eastern District of Louisiana issued a warrant of arrest for the Thompson and the Kallop. OSF answered the complaint on behalf of the Thompson and the Kallop the next day and prayed that the court deny Alliance SVF's requested relief. The warrants were returned on May 3, 2017, stating they were executed on May 2, 2017.

60. Alliance and its affiliates are well aware of both the Black Elk Contract and the Charter Agreement. Indeed, Alliance's Chief Operating Officer signed the Charter Agreement as then Chief Executive Officer of OSF.

61. Upon information and belief, and demonstrating ill intent, MOC believes that even if Alliance or its affiliates were to be paid in full on account of their current claims against OSF, the majority of which were acquired from third parties in order to effectuate the current arrests, Alliance would likely purchase certain additional claims against OSF in order to re-arrest the Derrick Barges and, as a result, prevent the work under the Black Elk Contract from being completed in 2017. This could potentially provide a benefit to Alliance or its affiliates, who may be able to perform the remaining work next year, to the extent MOC is unable to do so this year.

### **The Bayou Action**

62. Bayou, Spartan, Morgan and Delta filed the Bayou Action on March 14, 2017, which seeks to arrest the Kallop to be sold under the direction of the court with proceeds to satisfy all monies owed to the defendants in the Bayou Action.

63. The Bayou Action alleges that (a) OSF incurred charges to BBES for necessary equipment and services provided to the Kallop in an amount totaling \$38,406.64; (b) Spartan



provided services and equipment aboard the Kallop in an amount totaling \$51,713.72; (c) Morgan provided services and equipment aboard the Kallop totaling \$50,089.93; and (d) Delta provided services and equipment aboard the Kallop totaling \$26,163.93.

64. On March 14, 2017, the United States District Court for the Eastern District of Louisiana issued a warrant of arrest for the Kallop. OSF answered the complaint on behalf of the Kallop on May 2, 2017 and prayed that the court deny defendants' requested relief.

**The Central Dispatch Action**

65. Central Dispatch filed the Central Dispatch Action on April 13, 2017, which seeks to arrest the Thompson and the Kallop to be sold under the direction of the court with proceeds to satisfy all monies owed to Central Dispatch in the Central Dispatch Action.

66. Central Dispatch Action alleges that it provided necessary services to the Derrick Barges with a total amount owed of \$55,787.78.

67. On April 17, 2017, the United States District Court for the Eastern District of Louisiana issued a warrant of arrest for the Kallop and the Thompson.

**The DHD Action**

68. DHD and Viral filed the DHD Action on April 3, 2017, which seeks to arrest the Thompson and the Kallop to be sold under the direction of the court with proceeds to satisfy all monies owed to DHD and Viral.

69. The complaint in the DHD Action alleges that DHD invoiced OSF for \$151,139.46 for labor, goods and equipment provided to the Kallop which OSF failed to pay. In addition, the complaint alleges DHD invoiced OSF for \$8,292.00 for labor, goods and equipment provided to the Thompson which OSF likewise failed to pay.

70. The complaint further alleges that Viral invoiced OSF for \$235,983.25 for labor, goods and equipment provided to the Kallop which OSF failed to pay and that Viral invoiced

OSF for \$43,474.72 for labor, goods, and equipment provided to the Thompson which OSF failed to pay. Viral's general counsel is Eric Trosclair, who is also Alliance's general counsel.

71. On April 17, 2017, the United States District Court for the Eastern District of Louisiana issued a warrant of arrest for the Kallop and the Thompson. The warrant was returned as executed on April 25, 2017.

**The DeepCor Action**

72. DeepCor filed the DeepCor Action on February 24, 2017, which seeks to, among other things, arrest the Kallop and the Thompson to enforce DeepCor's alleged claims against the Kallop and the Thompson.

73. The complaint in the DeepCor Action alleges that MOC, Montco, Inc., and Montco Offshore, Inc., were invoiced for services rendered under a Master Services Agreement, and that the balance of unpaid services allegedly totals \$4,320,053.14. The complaint also alleges that such unpaid services constitute the furnishing of services to the Kallop and the Thompson, which allegedly gives DeepCor a maritime lien on the Kallop and the Thompson.

74. To date, the United States District Court for the Eastern District of Louisiana has not issued any warrant of arrest for the Kallop or the Thompson in the DeepCor Action.

**F. Benefits from Release of Derrick Barges to Perform Work Necessary to Complete Black Elk Contract**

75. MOC's estate and all of its creditors, including OSF, will benefit from the release from arrest of the Derrick Barges, so that the Derrick Barges can perform work necessary to complete the Black Elk Contract. In addition, upon information and belief, OSF's creditors will likewise benefit from the release of the Derrick Barges, since payments to OSF on account of go-forward work under the Black Elk Contract will in turn result in payments to OSF's creditors.

76. Such work must be performed quickly (i.e., by the end of October 2017). The Derrick Barges are the only available barges currently operating in the Gulf of Mexico that can perform the work required under the Black Elk Contract this year at the turnkey prices set forth in the Black Elk Contract.

**COUNT I**  
**(Specific Performance)**  
**(Against Defendant OSF)**

77. MOC incorporates and re-alleges the allegations contained in the preceding paragraphs 1-76.

78. The Charter Agreement constitutes an enforceable contract between MOC, on the one hand, and OSF, on the other.

79. As detailed above, MOC has fully performed its obligations under the Charter Agreement.

80. OSF has failed to make either Derrick Barge available for charter at this time as required by the Charter Agreement.

81. OSF breached and is continuing to breach its contractual obligations to MOC under the Charter Agreement by failing to make either Derrick Barge available for charter at this time.

82. OSF's continued failure to make either Derrick Barge available for charter at this time will irreparably harm MOC, and MOC is entitled to specific performance.

83. In the alternative, MOC is entitled to actual, compensatory and any other damages to the maximum extent permitted by law.

**COUNT II**  
**(Issuance of a Permanent Injunction for Violation of 11 U.S.C. §§ 105 & 362(a)(3))**  
**(Against The Creditor Defendants)**

84. MOC incorporates and re-alleges the allegations contained in the preceding paragraphs 1-83.

**G. MOC Meets the Requirements for Permanent Injunction**

85. A plaintiff seeking a permanent injunction must demonstrate that: (a) it has suffered an irreparable injury; (b) the remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (c) considering the hardships between the parties, a remedy in equity is warranted; and (d) the public interest will not be disserved by a permanent injunction.

86. As discussed *supra*, MOC's ability to perform all of its obligations under the Black Elk Contract is predicated on the use of the Derrick Barges. While the arrests of the Derrick Barges are already preventing MOC from performing all of its obligations under the Black Elk Contract, the Creditor Defendants' execution of the remaining arrest warrants would cripple MOC's chances to repay its creditors. Monetary damages are inadequate to remedy the injury to MOC because the potential economic loss threatens the existence of MOC's business. While MOC will be substantially harmed without a permanent injunction, the issuance of the injunction will protect estate property and MOC's reorganization process, resulting in little to no harm to the Creditor Defendants. In fact, the Creditor Defendants would likely receive payment on account of their claims against OSF in a quicker manner than were they to continue their arrests of the Derrick Barges. Lastly, the public interest will not be disserved by the issuance of a permanent injunction because an injunction will preserve the going-concern value of MOC's business and ensure the equal treatment of any payment of creditors. Therefore, MOC satisfies these four factors and the Court should issue a permanent injunction restraining the Creditor

Defendants from executing their respective arrest warrants and refraining any Creditor Defendant from holding possession of the Derrick Barges.

**H. Actual Damages, Attorneys' Fees and Costs against the Creditor Defendants**

87. The Court may award damages for violation of the automatic stay to a corporate debtor pursuant to its equitable powers and in enforcement of the Court's civil contempt power under § 105 of the Bankruptcy Code. *See* 11 U.S.C. § 105. The automatic stay is a self-executing injunction and constitutes an order issuing from the bankruptcy court for contempt purposes. A sanction of civil contempt serves to insure compliance with the automatic stay and to compensate the bankruptcy estate for losses or damages sustained because of a stay violation. A violation of the automatic stay is willful, and thus justifies sanctions under § 105, where the defendants committed intentional acts with knowledge of the bankruptcy petition. Specific intent to violate the stay is not required.

88. The Creditor Defendants are aware of MOC's bankruptcy petition. Notwithstanding the Creditor Defendants' knowledge of the pending bankruptcy proceeding, the Creditor Defendants continue to exercise control over the Derrick Barges, in which MOC has a contractual interest, in violation of the automatic stay. Therefore, the Creditor Defendants continue to engage in a willful violation of the automatic stay injunction, and MOC is entitled to its actual damages, attorneys' fees, and costs.

89. As such, MOC requests that the Court grant it actual damages, which are unliquidated and continue to increase with each day the Creditor Defendants' prevent MOC's use of the Derrick Barges to perform under the Black Elk Contract. In addition, MOC requests that the court award it reasonable attorneys' fees and costs incurred in bringing this adversary proceeding to enforce the provisions of the Bankruptcy Code.

**COUNT III**  
**(Tortious Interference)**  
**(Against Alliance and Alliance SVF)**

90. MOC incorporates and re-alleges the allegations contained in the preceding paragraphs 1-89.

91. The Charter Agreement between OSF and MOC is a valid contract.

92. Alliance and Alliance SVF have knowledge of the Charter Agreement.

93. Alliance and Alliance SVF intentionally interfered with the Charter Agreement by causing the arrest of the Thompson and the Kallop so that Alliance, rather than MOC, could potentially perform at least some of the work under the Black Elk Contract at a later date.

94. MOC has been harmed by the arrest of the Thompson and the Kallop because it has been prevented from the opportunity to complete its prepetition obligations under the Black Elk Contract.

95. Absent injunctive relief releasing (or causing the release of) the Thompson and the Kallop from arrest and precluding Alliance and Alliance SVF from continuing to attempt to place both the Thompson or the Kallop under arrest, MOC will be irreparably harmed.

96. In the alternative, MOC is entitled to damages in an amount to be determined at trial.

**PRAYER FOR RELIEF**

WHEREFORE, MOC respectfully requests that upon final hearing, judgment be entered in MOC's favor and against the Defendants as follows:

- A. ordering the Thompson and the Kallop released from arrest;
- B. temporarily, preliminary, and permanently enjoining the Creditor Defendants from attempting to place the Thompson and the Kallop under arrest;
- C. ordering OSF to specifically perform its obligations under the Charter Agreement;

- D. ordering Defendants to forthwith take all necessary actions with the United States District Court for the Eastern District of Louisiana to release the Derrick Barges from arrest;
- E. awarding damages, reasonable and necessary attorney's fees, pre-judgment and post-judgment interest as provided by law, and costs of court for the Creditor Defendants' violation of the bankruptcy stay; and
- F. such other further relief, at law or in equity, to which MOC is justly entitled.

Dated: May 16, 2017  
Houston, Texas

**DLA PIPER LLP (US)**

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*Counsel for the Debtors and  
Debtors in Possession*

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

**In re:**

**MONTCO OFFSHORE, INC.  
and MONTCO OILFIELD  
CONTRACTORS, LLC,**

**Debtors.**

**MONTCO OILFIELD  
CONTRACTORS, LLC,**

**Plaintiff,**

**v.**

**OFFSHORE SPECIALTY  
FABRICATORS, LLC, ALLIANCE  
ENERGY SERVICES, LLC,  
ALLIANCE SPECIAL VENTURES  
FUNDS, LLC, BAYOU BLACK  
ELECTRIC SUPPLY, LLC, SPARTAN  
INDUSTRIAL PRODUCTS,  
MORGAN CITY RENTALS,  
DELTA RIGGING & TOOLS, INC.,  
CENTRAL DISPATCH, INC., DHD  
OFFSHORE SERVICES, LLC,  
VIRAL INVESTMENTS, LLC, WORK  
BOAT ELECTRICAL SERVICES,  
LLC, SMITH MARINE TOWING  
CORPORATION, VERSABAR, INC.,  
CROSBY TUGS LLC, and  
ENCORE FOOD SERVICES, LLC**

**Defendants.**

§	Case No. 17-31646
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§	<b>Chapter 11</b>
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§	<b>Adversary No. _____</b>
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**VERIFICATION**

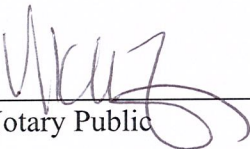
**STATE OF TEXAS**

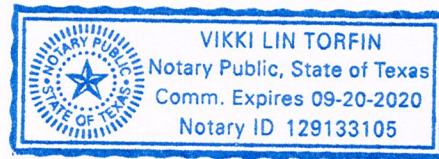
**HARRIS COUNTY**

Pursuant to 28 USC 1746, I, Carroll Price, declare under penalty of perjury that the factual allegations contained in the foregoing Original Complaint are true and correct.

  
\_\_\_\_\_  
CARROLL PRICE

SWORN and SUBSCRIBED before me this  
16th day of May, 2017.

  
\_\_\_\_\_  
Notary Public



**CERTIFICATE OF SERVICE**

This is to certify that, on this 16th day of May 2017, a true and correct copy of the foregoing Original Verified Complaint was served on all counsel of record via the Court's electronic filing system and all parties requesting notice in this chapter 11 case.

/s/ Vincent P. Slusher  
Vincent P. Slusher