ENTERED
06/05/2017

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

In re:	§	
	§	**Case No. 17-31646**
MONTCO OFFSHORE, INC., *et al.*,[1]	§	
	§	**Chapter 11**
Debtors.	§	
	§	**(Jointly Administered)**

ORDER (I) AUTHORIZING THE RETENTION AND EMPLOYMENT OF BLACKHILL PARTNERS, LLC AS FINANCIAL ADVISOR AND INVESTMENT BANKER FOR THE DEBTORS AND DEBTORS IN POSSESSION PURSUANT TO 11 U.S.C. §§ 327(a) AND 328(a), *NUNC PRO TUNC* TO THE PETITION DATE THROUGH MAY 18, 2017, (II) WAIVING CERTAIN TIME-KEEPING REQUIREMENTS, AND (III) GRANTING RELATED RELIEF

Upon the application (the "Application")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"): (a) authorizing the Debtors to retain and employ Blackhill as their financial advisor and investment banker pursuant to sections 327 and 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and rules 2014-1 and 2016-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Local Bankruptcy Rules"), *nunc pro tunc* to the Petition Date through May 18, 2017 (the "Retention Period"), pursuant to the terms and subject to the conditions of the Engagement Letter; (b) waiving and modifying certain of the time keeping requirements of Bankruptcy Rule 2016(a), the Trustee Guidelines and any other guidelines regarding submission and approval of fee applications; and (c) granting related relief, all as more fully described in the Application;

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[1] The Debtors in these chapter 11 cases, together with the last four (4) digits of each Debtor's federal tax identification number, are Montco Offshore, Inc. (1448) and Montco Oilfield Contractors, LLC (9886). The mailing address for the Debtors, solely for the purposes of notices and communications, is 17751 Hwy 3235, Galliano, Louisiana 70354.

[2] Each capitalized term used but not otherwise defined herein shall have the meaning ascribed to such term in the Application or Engagement Letter, as applicable.

and the Court having jurisdiction over this matter; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having determined that the notice of the Application and opportunity for a hearing on the Application were appropriate under the circumstances and no other or further notice need be provided; and the Court having determined that the employment of Blackhill on the terms set forth herein is necessary and in the best interest of the estates and their creditors; and the Court being satisfied based on the statements in the Stone Declaration that, with respect to the Retention Period, Blackhill does not hold or represent any entity having an interest adverse to the interests of the Debtors' estates or of any class of creditors or equity security holders and is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code; and upon all of the proceedings had before this Court, and after due deliberation and good and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Debtors are authorized to retain and employ Blackhill as their financial advisor and investment banker in these chapter 11 cases, pursuant to the terms and subject to the conditions set forth in the Engagement Letter attached hereto as Exhibit 1 as modified by this Order, *nunc pro tunc* to the Petition Date through May 18, 2017.

2. Except to the extent set forth herein, the Engagement Letter, including, without limitation, the Fee and Expense Structure, is approved pursuant to section 328(a) of the Bankruptcy Code and the Debtors are authorized to pay, reimburse, and indemnify Blackhill in accordance with the terms and conditions of, and at the times specified in, the Engagement Letter as modified by this Order; provided, no indemnification will extend to any indemnification claim arising out of any dispute with Black Elk.

3. With respect to the fee and expense provisions of the Engagement Letter, notwithstanding anything to the contary in the Application or the Engagement Letter, Blackhill shall only be entitled to (a) its April and May 2017 Monthly Fees, (b) the Financing Fee with respect to the DIP financing approved by the Court and (c) reimbursement of out-of-pocket expenses from the Petition Date through May 18, 2017. Blackhill further agrees that any and all rights to any other fees and/or expense reimbursement under the Engagement Letter (including, without limitation, the right to any fees under the tail provision of Paragraph 4 of the Engagement Letter) shall be waived upon entry of this Order. To the extent that any party-in-interest disputes whether a fee or expense has been earned or correctly calculated under the terms of the Engagement Letter, that dispute is preserved. The calculation of the Financing Fee is governed by the terms of the Engagement Letter and is not modified by this Order.

4. Blackhill shall file applications for allowance of compensation and reimbursement of expenses pursuant to and in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, such Bankruptcy Rules or Local Bankruptcy Rules as may then be applicable, and any other applicable orders and procedures of this Court; *provided*, *however*, that notwithstanding anything to the contrary in the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, any order of this Court, the Trustee Guidelines, any other guidelines regarding submission and approval of fee applications, and any other applicable orders or procedures of the Court, Blackhill's professionals shall be required only to keep reasonably detailed summary time records in one-half hour increments, which time records shall indicate the total hours incurred by each professional for each day and provide a brief description of the nature of the work performed.

5. The fees and expenses payable to Blackhill pursuant to the Engagement Letter shall be subject to review pursuant to the standards set forth in section 328(a) of the Bankruptcy Code and shall not be subject to the standard of review set forth in section 330 of the Bankruptcy Code, except by the U.S. Trustee, who, for the avoidance of doubt, shall retain all rights to respond or object to Blackhill's application on all grounds, including, but not limited to, reasonableness pursuant to section 330 of the Bankruptcy Code.

6. The indemnification, contribution and reimbursement provisions included in Schedule I to the Engagement Letter are approved, subject during the pendency of these chapter 11 cases to the following modifications:

a. subject to the provisions of subparagraphs (b) and (d) below, the Debtors are authorized to indemnify the Indemnified Persons in accordance with the Engagement Letter for any claim arising from, related to, or in connection with their performance of the services described in the Engagement Letter; provided, however, that the Indemnified Persons shall not be indemnified for any claim arising from services other than the services provided under the Engagement Letter, unless such services and the indemnification, contribution, or reimbursement therefor are approved by this Court;

b. notwithstanding anything to the contrary in the Engagement Letter, the Debtors shall have no obligation to indemnify any person or provide contribution or reimbursement to any person for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen primarily from that person's gross negligence, bad faith, self-dealing, breach of fiduciary duty (if any) or willful misconduct, or (ii) for a contractual dispute in which the Debtors allege breach of Blackhill's obligations under the Engagement Letter unless this Court determines that indemnification, contribution or reimbursement would be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003) or (iii) settled prior to a judicial determination as to sub-clauses (i) or (ii) above, but determined by this Court, after notice and a hearing, to be a claim or expense for which that person should not receive indemnity, contribution, or reimbursement under the terms of the Engagement Letter as modified by this Order;

c. If, during the pendency of these chapter 11 cases, the indemnification provided in Schedule I to the Engagement Letter is held unenforceable by

reason of the exclusions set forth in paragraph (b) above (i.e. gross negligence, self-dealing, willful misconduct, or for a contractual dispute in which the Debtors allege the breach of Blackhill's obligations under the Engagement Letter, unless the Court determines that indemnification would be permissible pursuant to the *United Artists* decision), and Blackhill makes a claim for the payment of any amounts by the Debtors on account of the Debtors' contribution obligations, then the limitations on Blackhill's contribution obligations set forth in the second and third sentences of the fifth paragraph of Schedule I shall not apply; and

d. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these chapter 11 cases (that order having become a final order no longer subject to appeal) and (ii) the entry of an order closing these chapter 11 cases, Blackhill believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution or reimbursement obligations under the Engagement Letter (as modified by this Order), including, without limitation, the advancement of defense costs, Blackhill must file an application before this Court and the Debtors may not pay any such amounts before the entry of an order by this Court approving the payment; provided, however, that for the avoidance of doubt, this subparagraph (d) is intended only to specify the period of time under which this Court shall have jurisdiction over any request for fees and expenses for indemnification, contribution, or reimbursement and not a provision limiting the duration of the Debtors' obligation to indemnify Blackhill.

7. Blackhill agrees that it shall take all actions reasonably necessary to effect the transition of its services to a replacement financial advisor and investment banker selected by the Debtors. For the avoidance of doubt, the Engagement Letter's indmenification provisions, as modifed by this Order, shall cover these transition services. The transition services will be provided at no additional charge.

8. This Order does not resolve, impair, limit or make any actual or implicit findings with respect to any claims, defenses, or privileges of Black Elk or any other Defendant in Adversary Proceeding 17-3249.

9. To the extent that there may be any inconsistency between the terms of the Application, the Stone Declaration, the Engagement Letter, and this Order, the terms of this Order shall govern.

10. The Debtors are authorized and empowered to take all actions necessary to effectuate the relief granted by this Order.

11. Notwithstanding the possible applicability of Bankruptcy Rules 6004, 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

12. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order. Further, notwithstanding anything in the Engagement Letter, the Court shall retain exclusive jurisdiction during the pendency of these cases to resolve any disputes arising from or related to the Engagement Letter and Blackhill retention pursuant to the Application and this Order.

Dated: June 5, 2017
Houston, Texas

THE HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Engagement Letter

Blackhill Partners, LLC
2651 N. Harwood St.
Suite 120
Dallas, Texas 75201
Telephone: 214.382.3750
Facsimile: 214.382.3755

March 9, 2017

Montco Offshore, Inc.
17751 Highway 3235
Galliano, LA 70354

Attention: Mr. Lee Orgeron, President

Dear Lee:

This letter confirms our understanding that Montco Offshore, Inc., together with its affiliates, subsidiaries and assigns (collectively referred to as "MOI" or the "Company"), has engaged Blackhill Partners, LLC ("we", "us" or "Blackhill") as the Company's exclusive financial advisor and investment banker from the date of this agreement (this "Agreement") through the end of the Engagement Period (as hereinafter defined) for the purposes set forth herein. The parties to this Agreement agree and acknowledge that this Agreement is supported by adequate and valuable mutual consideration, the mutual covenants and agreements of the parties, the services to be performed hereunder, and the fees and other monetary payments to be paid and received by the parties to this Agreement. This Agreement amends and restates in its entirety that certain agreement between Blackhill and the Company dated January 31, 2017.

Under this Agreement, Blackhill will provide financial advisory and investment banking services to the Company in connection with a potential restructuring of certain liabilities of the Company, including in connection with any case (a "Bankruptcy Case") commenced by or against the Company or any of its subsidiaries or affiliates under title 11 of the United States Bankruptcy Code (the "Bankruptcy Code").

1. Services

In connection with our engagement, Blackhill agrees to perform the following services, to the extent Blackhill and the Company deem such services appropriate and feasible:

i. Review and analyze the business, operations and financial projections;

ii. Evaluate the Company's potential debt capacity in light of its projected cash flows;

iii. Assist in the determination of a range of values for the Company on a going-concern basis;

iv. Assist the Company in assessing the range of potential Restructuring (as defined below) alternatives;

v. Advise the Company on tactics and strategies for negotiating with the Company's creditors and other stakeholders and effectuating any Restructuring;

vi. Assist the Company in developing a list of potential sources for a Financing (as defined below) and, at the Company's request, contact any and all potential sources and assist the Company in any negotiations with interested parties;

vii. Assist the Company in the development, preparation and distribution of selected information, documents and other materials to create interest in and to consummate any Restructuring or Financing;

viii. Be available at your request to meet with your management, board of directors, creditor groups, or other parties, to discuss any Restructuring;

ix. if requested by the Debtors, participate in hearings before the court having jurisdiction over any Bankruptcy Case and provide relevant testimony; and

x. Provide such other financial advisory or investment banking services as may from time to time be agreed upon by Blackhill and the Company, and that are within the scope of this engagement.

As used in this Agreement, a "Restructuring" shall mean any restructuring, reorganization, rescheduling or recapitalization of all or any material portion of the Company or its securities, including through (i) a complete or partial repurchase, refinancing or repayment by the Company of a material portion of the Company's liabilities (*provided, however*, that any extension for less than twelve (12) months or any non-material amendment of the Company's existing debt instruments or credit agreements, whether in connection with a Bankruptcy Case or otherwise, will not be deemed a "Restructuring"), (ii) an exchange offer or consent solicitation, covenant relief, rescheduling of debt maturities, change in interest rates, settlement or forgiveness of debt, conversion of debt into equity or other amendments to the Company's debt instruments, (iii) any sale of all or a material portion of the assets, equity interests, rights, options or other securities or interests of the entities comprising the Company, whether through a Section 363 sale (including, without limitation, pursuant to any credit bid), a chapter 11 plan or otherwise, or (iv) a chapter 11 plan of reorganization or liquidation confirmed in connection with a Bankruptcy Case (any of the foregoing, a "Restructuring"). For the avoidance of doubt, the consummation of any chapter 11 plan shall be deemed a Restructuring.

As used in this Agreement, a "Financing" means any transaction or series of transactions involving the public or private issuance, sale or placement of newly-issued (including securities held in treasury) equity, equity-linked or debt securities, instruments or obligations of the Company, including debtor-in-possession financing or exit financing associated with any Bankruptcy Case (any of the foregoing, a "Financing"). "Equity Financing" shall mean any Financing that takes the form of equity, hybrid or preferred securities (an "Equity Financing"). Included in the definition

of Financing shall be the appraised value of any non-cash assets contributed to the Company in exchange for equity, equity linked or debt securities, instruments or obligations of the Company.

This agreement is not a commitment, express or implied, on the part of Blackhill to invest in or finance the Company, or to finance any investor, partner or lender's offer for the Company or its securities. It is mutually acknowledged that Blackhill's involvement in this engagement will be as financial advisor and made on a "best efforts" basis. Blackhill's obligations under this agreement are subject to (i) satisfactory completion of such investigation and inquiry as are customary for similar transactions and (ii) in our determination, the absence of any material adverse change in the financial markets or in the financial condition, operations, or prospects of the Company.

2. Fees and Expenses

As consideration for the services to be provided by Blackhill hereunder, the Company agrees to pay Blackhill:

i. A non-refundable cash fee of $150,000 payable simultaneously with the execution of this Agreement and on the monthly recurrence of the date of this letter until the date this Agreement is terminated in accordance with paragraph 4 below (the "Monthly Fees" and individually, the "Monthly Fee").

ii. A non-refundable cash fee payable on consummation of any Financing (the "Financing Fee") equal to 5% of the aggregate proceeds of any Equity Financing and 3% of the aggregate proceeds of any other Financing (without duplication).

iii. A non-refundable cash fee payable on consummation of any Section 363 sale of $500,000 (the "363 Fee"). For the avoidance of doubt there may be multiple 363 Fees payable; however, there shall be a maximum of three Section 363 fees.

iv. If the Company consummates any Restructuring, a non-refundable cash fee of $2.25 million (the "Restructuring Fee"), payable upon consummation of the Restructuring. 100% of the 363 Fees, 50% of the Financing Fee and $50,000 of each Monthly Fee paid after the payment of the March, April and May Monthly Fees hereunder shall be credited once (without duplication) against any Restructuring Fee earned hereunder.

All outstanding Fees (to be defined as the sum of any outstanding Monthly Fees, Financing Fee, Restructuring Fee and all expenses) shall be due and payable in cash by wire transfer upon and as a condition precedent to the consummation of any Restructuring. No fee payable to any third party by the company or any person or entity in connection with the subject matter of this engagement shall reduce or otherwise affect any fee payable hereunder. The Company acknowledges that a Restructuring may occur that does not include cash as a form of consideration; notwithstanding the foregoing, the Company represents that all outstanding Fees shall be earned, due and payable

in cash regardless of the form of consideration of any Restructuring (including any Restructuring involving a 'credit bid' of claims under the relevant sections of the Bankruptcy Code).

In addition to Fees that may be payable as set forth above, MOI shall promptly reimburse Blackhill for all (i) reasonable and documented out-of-pocket expenses (including travel and lodging, meals, printing, data processing and subscription charges, telephone and facsimile charges, courier services and other reasonable and customary out-of-pocket expenditures), and (ii) reasonable out-of-pocket fees and expenses of counsel and consultants retained with the Company's consent (which shall not be unreasonably withheld).

The Company's obligation to pay any fee, expense or indemnity set forth herein or on the attached Schedule I shall be absolute and unconditional, and shall not be subject to any reduction by way of setoff, recoupment or counterclaim.

3. Information to be Supplied, Cooperation

In connection with our engagement, the Company will furnish us with all information concerning the Company that we reasonably deem appropriate and will provide us with reasonable access to the Company's managers, employees, accountants, counsel and other representatives (collectively, the "Representatives"), it being understood that we will rely solely upon such information supplied by the Company and its Representatives without assuming any responsibility for independent investigation or verification thereof. All information concerning the Company that is given to us will be used solely in the course of the performance of our services hereunder. Except as otherwise required by law, we will not disclose this information to a third party without the Company's prior consent. To the best of the Company's knowledge, the Information to be furnished by or on behalf of the Company, when delivered, will be true and correct in all materials respects and will not contain any material misstatement of fact or omit to state any material fact necessary to make the statements contained therein not misleading. In addition, the Company agrees to promptly advise us of any material event or change in the business, affairs or condition (financial or otherwise) of the Company that occurs during the term of our engagement hereunder.

In order to coordinate our efforts on behalf of the Company during the period of our engagement hereunder, the Company will promptly inform Blackhill of any discussions, negotiations or inquiries regarding any potential Financing or Restructuring, including any discussions, negotiations or inquiries that have occurred during the six month period prior to this Agreement.

4. Termination

Our engagement hereunder may be terminated at any time, with or without cause, by either party upon 30 days prior written notice thereof; provided, however, that any termination of our engagement hereunder by either party shall not affect the Company's obligations to pay the accrued and owed Fees and out-of-pocket expenses provided for herein and to indemnify Blackhill Partners, LLC and certain related persons as provided in Schedule I attached hereto. The

"Engagement Period" shall mean that period commencing on the date hereof and continuing through the earlier of (i) the consummation of a Restructuring or (ii) either MOI or Blackhill terminates this Agreement as provided herein.

If, in the nine (9) month period immediately following the termination or expiration of this Agreement, the Company consummates or enters into an agreement which subsequently results in a Financing or a Restructuring, the Company shall pay Blackhill the aforementioned "Financing Fee" or "Restructuring Fee," respectively, in such circumstances as if Blackhill had been actively engaged as the Company's financial advisor, provided, however, that the aforementioned shall not apply in the event of termination of this agreement by the Company for Cause. As used in this paragraph, "Cause" shall mean gross negligence, bad faith or willful misconduct of Blackhill in performing the services that are the subject of this agreement.

5. Bankruptcy

In the event that a Bankruptcy Case is commenced, whether voluntarily or involuntary:

(a) The Company shall use its reasonable best efforts to seek an interim and final order of the Bankruptcy Court authorizing the employment of Blackhill as its financial advisor and investment banker pursuant to the terms of this agreement (including, without limitation, the fee, expense, and indemnification provisions hereof) pursuant to, and subject to the standards of review set forth in, section 328(a) of the Bankruptcy Code (and not subject to the standards of review set forth in section 330 of the Bankruptcy Code), nunc pro tunc to the date first written above. The retention application and the proposed interim and final orders authorizing Blackhill's retention must be acceptable to Blackhill in its good faith discretion. Prior to commencing a Bankruptcy Case, the Company shall pay all amounts then earned and payable pursuant to this agreement in cash. In agreeing to seek Blackhill's retention under section 328(a) of the Bankruptcy Code, the Company acknowledges that it believes that Blackhill's general restructuring capabilities will inure to the benefit of the Company, that the value to the Company of Blackhill's services derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the fees set forth in Section 2 herein are reasonable, regardless of the number of hours expended by Blackhill's professionals in the performance of the services to be provided hereunder;

(b) Blackhill shall have no obligation to provide services under this or any agreement unless Blackhill's retention under such agreement is approved by final non-appealable order of the Bankruptcy Court (acceptable to Blackhill in its good faith discretion, which order must also approve the indemnification provisions in Schedule 1 of this agreement) under section 328(a) of entry of an order for relief in any involuntary chapter 11 case. If the final non-appealable order authorizing the employment of Blackhill is not obtained within a 60-day period following the filing of the Bankruptcy Case, or such order is later reversed, vacated, stayed or set aside for any reason, Blackhill may terminate this agreement, and the

Company shall be obligated to reimburse Blackhill for all fees and expenses incurred prior to the date of termination, subject to the requirements of any applicable orders of the Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules, and applicable local rules, guidelines and Bankruptcy Court orders. Following entry of the interim order authorizing the retention of Blackhill, the Company shall pay as promptly as possible all fees and expenses due pursuant to this agreement, as approved by the Bankruptcy Court and in accordance with the terms of this agreement, the Bankruptcy Code, and Bankruptcy Rules, and applicable local rules, guidelines and Bankruptcy Court orders;

(c) Blackhill's post-petition compensation as set forth herein and payments made pursuant to the expense reimbursements and indemnification provisions of this agreement (including, without limitation, Schedule 1 hereto) shall be entitled to priority as expenses of administration under sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code, and shall be entitled to the benefits of any "carve-outs" for professional fees and expenses in effect pursuant to one or more financing orders entered by the Bankruptcy Court. The Company also agrees to assist Blackhill in preparing, filing and serving all required fee statements, interim fee applications, and final fee application. The Company agrees to support Blackhill's fee applications during any Bankruptcy Court hearing on such fee applications, so long as the fees and expenses sought by Blackhill therein are consistent with this agreement; and

(d) The Company shall use its reasonable best efforts to ensure that, to the fullest extent permitted by law, any confirmed plan of reorganization or liquidation in the Bankruptcy Case contains typical and customary release (both from the company and from third parties) and exculpation provisions releasing, waiving, and forever discharging Blackhill and any of its divisions, affiliates, current or former directors, officers, partners, members, agents or employees of Blackhill or any of its affiliates, or any person controlling Blackhill or its affiliates, current of former directors, officer, partners, members, agents or employees from any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities related to the Company or the engagement described in this agreement.

The terms of this Section 5 are solely for the benefit of Blackhill, and may be waived, in whole or in part, only by Blackhill.

6. <u>Other Matters</u>

Under the terms of this Agreement, we are serving under the authority of the Company's Board of Directors as an independent contractor with duties owing solely to the Company. Nothing contained herein is intended to create or should be construed as creating a fiduciary relationship between Blackhill and the Company, its Board of Directors or its shareholders (irrespective of whether Blackhill has advised or is currently advising the Company on other matters); we are expressly not acting as a fiduciary. This Agreement sets forth the entire agreement between the

parties as to the subject matter hereof and supersedes all previous agreements between the parties hereto, whether written, oral or otherwise. Any amendments to this Agreement shall only be valid if made in writing and signed by all parties hereto. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect. This agreement is solely for the benefit of the Company and Blackhill and no other person (except indemnified persons to the extent set forth in Schedule I) shall acquire or have any rights by virtue of this agreement.

In performing its services pursuant to this Agreement, Blackhill is not providing and shall not be deemed to have provided any tax, accounting, actuarial, legal, insurance or other specialist advice. The Company confirms that it will rely on its own counsel, accountants and similar specialist advisors for legal, accounting, tax and other similar advice. Additionally, Blackhill assumes no responsibility for the decision of the Company or any other party to pursue (or not to pursue) any business strategy or to effect (or not to effect) any transaction. The Company acknowledges that the Company's appointment of Blackhill pursuant to this Agreement is not intended to guarantee the consummation of a Financing or Restructuring and that Blackhill is not in a position to guarantee any outcome.

The Company acknowledges that any financial advice, written or oral, is solely for the purpose of assisting the Company in considering the matters to which our engagement relates. The Company agrees that, notwithstanding any termination or expiration of our engagement, any advice, written or oral, rendered by Blackhill and the terms of our engagement hereunder may not be disclosed publicly or made available to third parties without the prior written consent of Blackhill. In addition, the Company acknowledges that any and all analytical tools (whether tangible or intangible) including any financial models, industry analysis, information memoranda, valuation data or other information and analysis gathered or produced by Blackhill are the express intellectual property of Blackhill, and the Company shall have no right or future claim upon the use of such intellectual property.

The Company acknowledges that in light of Blackhill's substantial experience and knowledge in the restructuring market, the uncertain nature of the time and effort that may be expended by Blackhill in fulfilling its duties hereunder, the opportunity cost associated with undertaking this engagement, and the "market rate" for professionals of Blackhill's stature in the restructuring market generally, the fee arrangement hereunder is just, reasonable, and fairly compensates Blackhill for its services in the contemplated transaction. Notwithstanding the foregoing, the Company acknowledges that this assignment may lead to an outcome not anticipated in this Agreement. In the event that circumstances have changed such that this engagement requires more of Blackhill's time and efforts than originally anticipated, or the Company requests services not contemplated by this agreement, the Company agrees to meet and confer with Blackhill in good faith to determine the appropriate additional fees for Blackhill's services.

Notice given pursuant to any of the provisions of this Agreement shall be in writing and shall be given by Registered, Certified or Express Mail (a) if to the Company, at the address set forth above,

and (b) if to Blackhill, at our offices at Blackhill Partners, LLC; 2651 N. Harwood St., Suite 120; Dallas, Texas 75201; Attn: Joe Stone.

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement may not be assigned by either party hereto, without the prior written consent of the other, to be given in the sole discretion of the party from whom such consent is being requested. Any attempted assignment of this Agreement made without such consent may be void, at the option of the non-assigning party. This Agreement has been and is made solely for the benefit of the Company and Blackhill, and no other shall acquire or have any right under or by virtue of this Agreement except as noted above. Notwithstanding the foregoing, the Company recognizes that, in connection with this engagement, certain limited securities may be offered through Blackhill Advisors, LP (Member FINRA/SIPC), an affiliated broker/dealer, and may be freely assigned to Blackhill Advisors, LP in our sole discretion.

The Company agrees that Blackhill has the right, following the closing of a transaction to place advertisements in financial and other newspapers and trade journals at its own expense describing its services to the Company hereunder.

The descriptive headings in this Agreement have been inserted for convenience only and shall not be deemed to limit or otherwise affect the construction of any provision thereof or hereof. The parties have participated jointly in the negotiation and drafting of this Agreement with counsel sophisticated in similar transactions. In the event an ambiguity or question of intent or interpretation arises, this Agreement and the agreements, documents and instruments executed and delivered in connection herewith shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement and the agreements, documents and instruments executed and delivered in connection herewith.

7. Indemnification, etc.

As further consideration under this Agreement, the Company shall indemnify and hold harmless the Blackhill Indemnified Parties (as defined in Schedule I) in accordance with Schedule I. The terms and provisions of Schedule I (incorporated by reference herein) constitute a part hereof and shall survive any termination or expiration of this Agreement. Neither Blackhill nor its affiliates shall be responsible or have any liability for any indirect, special or consequential damages arising out of or in connection with this Agreement or the transactions contemplated hereby, even if advised of the possibility thereof.

8. Governing Law, etc.

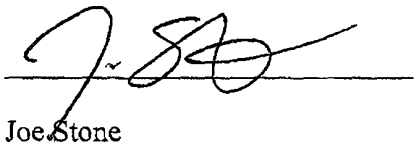
This Agreement is to be governed by and construed in accordance with the laws of the State of Texas, without regard to the principles of conflict of laws, and the applicable laws of the United

States of America. The Courts of the State of Texas shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning this Agreement and any matter arising from it, unless the Company files for protection under the Bankruptcy Code, in which event any disputes will be subject to resolution by the Bankruptcy Court. BLACKHILL AND THE COMPANY (ON ITS BEHALF AND, TO THE EXTENT PERMITTED BY LAW, ON BEHALF OF ITS CREDITORS AND SECURITY HOLDERS) WAIVE ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY PROCEEDING ARISING OUT OF THIS AGREEMENT.

We are delighted to accept this engagement and look forward to working with you. Please confirm that the foregoing is in accordance with your understanding by signing and returning to us the enclosed duplicate of this letter.

Very truly yours,

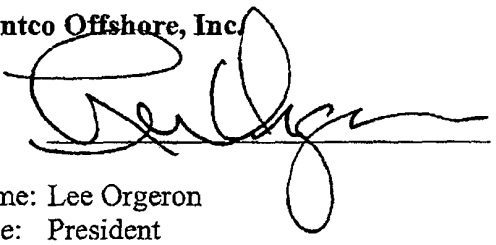
Blackhill Partners, LLC

By: 

Name: Joe Stone
Title: Managing Director

Accepted and agreed to on behalf of the Company as of the date first written above:

Montco Offshore, Inc.

By: 

Name: Lee Orgeron
Title: President

SCHEDULE I

The Company agrees that it will indemnify and hold harmless Blackhill, its affiliates, and their respective directors, officers, employees, agents, representatives and controlling persons (Blackhill and each such entity or person being an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject, provided the same are related to or arising out of activities performed by or on behalf of an Indemnified Party pursuant to this Agreement, the Transactions contemplated thereby or Blackhill's role in connection therewith; *provided* further that the Company will not be liable to the extent that any loss, claim, damage or liability is finally judicially determined to have resulted primarily from the Indemnified Party's gross negligence or willful misconduct. The Company also agrees to reimburse any Indemnified Party for all reasonable expenses (including counsel fees and disbursements) as they are incurred in connection with the investigation of, preparation for or defense of any pending or threatened claim, or any action, investigation, suit or proceeding arising therefrom, whether or not such Indemnified Party is a party. The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or its security holders or creditors related to or arising out of the engagement of Blackhill pursuant to, or the performance by Blackhill of the services contemplated by, this Agreement except to the extent that any loss, claim, damage or liability is finally judicially determined to have resulted primarily the Indemnified Party's gross negligence or willful misconduct.

If the indemnification provided for in this Agreement is for any reason held unenforceable, the Company agrees to contribute to the losses, claims, damages and liabilities, as incurred by any Indemnified Person, for which such indemnification is held unenforceable in such proportion as is appropriate to reflect the relative benefits to the Company, on the one hand, and Blackhill, on the other hand, of the Transaction (whether or not the Transaction is consummated). The Company agrees that for the purposes of this paragraph the relative benefits to the Company and Blackhill of the Transaction shall be deemed to be in the same proportion that the total value of the Transaction or contemplated Transaction by the Company as a result of or in connection with the proposed Transaction bears to the Fee paid or to be paid to Blackhill under this Agreement; *provided* that, to the extent permitted by applicable law, in no event shall the Indemnified Parties be required to contribute an aggregate amount in excess of the aggregate fees actually paid to Blackhill under this Agreement.

Promptly after receipt by an Indemnified Party of notice of any claim or the commencement of any action, suit or proceeding with respect to which an Indemnified Party may be entitled to indemnity hereunder, the Indemnified Parties will notify the Company in writing of such claim or of the commencement of such action or proceeding, and the Company will assume the defense of such action, suit or proceeding and will employ counsel reasonably satisfactory to the Indemnified Parties and will pay the fees and disbursements of such counsel, as incurred. Notwithstanding the preceding sentence, any Indemnified Party will be entitled to employ counsel separate from counsel for the Company and from any other party in such action if such Indemnified Party reasonably determines that a conflict of interest exists which makes representation by counsel

chosen by the Company not advisable or if such Indemnified Party reasonably determines that the Company's assumption of the defense does not adequately represent its interest. In such event, the fees and disbursements of such separate counsel will be paid by the Company.

The Company agrees that, without Blackhill's prior written consent (which consent will not be unreasonably withheld), it will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification could be sought under the indemnification provision of this Agreement (whether or not Blackhill or any other Indemnified Party is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent includes an unconditional release of each Indemnified Party from all liability arising out of such claim, action or proceeding. Blackhill agrees that, without the Company's prior written consent, it will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification could be sought under the indemnification provision of this Agreement (whether or not the Company is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent includes an unconditional release of each Indemnified Party from all liability arising out of such claim, action or proceeding.

In the event any Indemnified Party is requested or required to appear as a witness in any action, suit or proceeding brought by or on behalf of or against the Company or any affiliate or any participant in a Transaction covered hereby in which such Indemnified Party is not named as a defendant, the Company agrees to reimburse Blackhill for all reasonable disbursements incurred by it in connection with such Indemnified Party's appearing and preparing to appear as a witness, including, without limitation, the fees and disbursements of its legal counsel, and to compensate Blackhill in an amount to be mutually agreed upon.

The provisions of Schedule I shall be in addition to any liability which the Company may otherwise have. The provisions of this Schedule I are to be governed by the laws of the State of Texas, without giving effect to the principles of conflict of laws. Each of the parties consents to binding arbitration as provided in this paragraph for any dispute among the parties arising out of matters related to this Schedule I. Each of the parties waives the right to commence an action in connection with this Schedule I in any court and expressly agrees to be bound by the decision of the arbitrator as provided herein. The waiver in this paragraph will not prevent any party from commencing an action in any court for the sole purposes of enforcing the obligation of a party to submit to binding arbitration or the enforcement of an award granted by arbitration herein. In the event of any dispute among the parties as to the interpretation of any provision of this Schedule I or the rights and obligations of any party hereunder, such dispute shall be resolved through binding arbitration as hereinafter provided. If arbitration is required to resolve a dispute among the parties, any party may notify the J.A.M.S./Endispute ("Agency") and request Agency to select one person to act as the arbitrator for resolution of the dispute. The arbitrator selected pursuant to this paragraph will establish the rules for proceeding with the arbitration of the dispute and such rules will be binding upon all parties to the arbitration proceeding. The arbitrator may use the rules of the Agency for commercial arbitration but is encouraged to adopt such rules as the arbitrator deems appropriate to accomplish the arbitration in the quickest and least expensive manner possible. Accordingly,

the arbitrator may (i) dispense with any formal rules of evidence and allow hearsay testimony so as to limit the number of witnesses required, (ii) accept evidence of fair market value without formal appraisals and upon such information provided by parties or other persons and otherwise minimize discovery procedures as the arbitrator deems appropriate, (iii) act upon his understanding or interpretation of the law on any issue without the obligation to research such issue or accept or act upon briefs of the issue prepared by any party, (iv) limit the time for presentation of any party's case as well as the amount of information or number of witnesses to be presented in connection with any hearing, and (v) impose any other rules which the arbitrator believes appropriate to effect a resolution of the dispute as quickly and inexpensively as possible. The arbitrator will have the exclusive authority to determine and award costs of arbitration and the costs incurred by any party for their attorneys, advisors and consultants. Any award made by the arbitrator shall be binding on the parties and shall be enforceable to the fullest extent of the law. Any arbitration hereunder shall be conducted in Dallas, Texas, unless Agency shall not have an office in such location (and shall otherwise be unable to conduct the arbitration in such location) in which case such arbitration shall be conducted in such other place as determined by mutual consent of the parties.

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United States Bankruptcy Court
Southern District of Texas

In re:
Montco Offshore, Inc.
Montco Oilfield Contractors, LLC
Debtors

Case No. 17-31646-mi
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0541-4 User: mrios Page 1 of 2 Date Rcvd: Jun 05, 2017
Form ID: pdf002 Total Noticed: 39

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jun 07, 2017.

db +Montco Offshore, Inc., 842 W. Sam Houston Pkwy, Suite 500, Houston, TX 77024-4588
db +Montco Oilfield Contractors, LLC, 17751 Hwy 3235, Suite 500, Galliano, LA 70354-3578
aty +Adam Lanza, DLA Piper LLP (US), 1251 Avenue of the Americas, 27th Floor, NYC, NY 10020-0073
aty +David E. Avraham, DLA Piper LLP (US), 444 West Lake Street, Ste. 900, Chicago, IL 60606-0089
aty +Diverse Safety and Scaffolding LLC, c/o Carl Dore, 17171 Park Row, Houston, TX 77084-4927
aty +Emile Joseph, Jr., Allen & Gooch, 2000 Kaliste Saloom Road, Suite 400, Lafayette, LA 70508-6180
aty +Jeffrey Torosian, DLA Piper LLP (US), 444 West Lake St., Ste. 900, Chicago, IL 60606-0089
aty +Oceaneering International Inc., Gardere Wynne Sewell LLP, 1000 Louisiana Street, Suite 2000, Houston, TX 77002, UNITED STATES 77002-2099
aty +Thomas A. Labuda, Jr., Sidley Austin LLP, One South Dearborn, Chicago, IL 60603-2323
cr +10 M Marine LLC, Holly C Hamm Snow Spence Green LLP, 2929 Allen Parkway Suite 2800, Houston, TX 77019-7100
cr +Alliance Energy Services, LLC, c/o David F. Waguespack, 1100 Poydras Street, Suite 3100, New Orleans, LA 70163-1102
cr +Alliance Offshore, LLC, c/o David F. Waguespack, 1100 Poydras Street, Suite 3100, New Orleans, LA 70163, USE 70163-1102
intp +Argonaut Insurance Company, c/o Paul J. Goodwine, Looper Goodwine P.C., 650 Poydras Street, Suite 2400, New Orleans, LA 70130-6171
fa +Blackhill Partners, LLC, Sidley Austin LLP, c/o Blackhill Partners LLC, Attn: Thomas A. Labuda Jr., 1 S Dearborn St., Chicago, IL 60603-2302
cr +Bollinger Fourchon, LLC, 1402 Mark Dr., P.O. Box 241, Lockport, LA 70374-0241
intp +EPL Oil & Gas, Inc., 1021 Main Street, Suite 2626, Houston, TX 77002-6516
intp +Energy XXI GOM, LLC, 1021 Main Street, Suite 2626, Houston, TX 77002-6516
intp +Energy XXI Pipeline II, LLC, 1021 Main Street, Suite 2626, Houston, TX 77002-6516
cr Extreme Energy Services, LLC, P. O. Box 1468, Broussard, LA 70518-1468
cr +Fieldwood Energy LLC, 2000 W Sam Houston Pkwy S, Suite 1200, Houston, TX 77042-3623
intp +Furth Oil Co., c/o Jarrod B. Martin, Nathan Sommers Jacobs, P.C., 2800 Post Oak Blvd., 61st Floor, Houston, TX 77056-6131
cr +International Snubbing Services, L.L.C., 190 Industries Lane, Arnaudville, LA 70512-6331
intp +JX Nippon Oil Exploration (U.S.A.) Limited, c/o GIEGER, LABORDE & LAPEROUSE, L.L.C., 5151 SAN FELIPE, SUITE 750, Houston, TX 77056-3646
cr +LeBlanc & Associates, L.L.C., 132 Intracoastal Drive, Houma, LA 70363, UNITED STATES 70363-6776
intp +M21K, LLC, 1021 Main Street, Suite 2626, Houston, TX 77002-6516
cr +Maritech Resources, LLC, c/o John F. Higgins, Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, TX 77002-6341
cr +Offshore Specialty Fabricators, LLC, Attn: Bruce J. Ruzinsky, Jackson Walker LLP, 1401 McKinney, Suite 1900, Houston, TX 77010-1900
cr +Piranha Rentals, LLC, PO Box 759, Thibodaux, LA 70302-0759
cr +Proserv Operations, Inc., Attn: Alexander Church, 15151 Sommermeyer Street, Houston, TX 77041-5332
intp +Richard Schmidt, c/o Okin Adams LLP, 1113 Vine St, Suite 201, Houston, TX 77002-1045
cr +Swivel Rental, 105 Commission Blvd., Lafayette, LA 70508-3514
cr +TETRA Applied Technologies, LLC, c/o Porter Hedges LLP, 1000 Main St. 36th Floor, Houston, TX 77002-6341
cr +Tetra Technologies, Inc., c/o Porter Hedges LLP, 1000 Main St. 36th Floor, Houston, TX 77002-6341
cr +Texas Workforce Commission, John Stern, P.O. Box 12548, Austin, TX 78711-2548
crcm +The Committee of Unsecured Creditors of Montco Off, c/o John F. Higgins, 1000 Main St. 36th Floor, Houston, TX 77002-6341
cr +Thomas Energy Services, LLC d/b/a Thomas Tools, LL, c/o Ross Spence, Snow Spence Green LLP, 2929 Allen Parkway Ste 2800, Houston, TX 77019-7100
cr +W&T Offshore, Inc., c/o Philip G. Eisenberg, 600 Travis Street, 26th Floor, Houston, Tx 77002-3009
cr +c/o Craig A. Ryan Eaton Oil Tools, Inc., Onebane Law Firm, 1200 Camellia Blvd., Suite 300, Lafayette, LA 70508-6171

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

cr E-mail/Text: houston_bankruptcy@LGBS.com Jun 05 2017 21:17:37 Harris County, Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, Post Office Box 3064, Houston, TX 77253-3064

TOTAL: 1

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****
cr Alta Mesa Holdings, LP
cr Aqueos Corporation
cr Bollinger Shipyards Lockport, Inc.
cr Cairn Energy USA, LLC
cr CityCentre Three Partners, LP

***** BYPASSED RECIPIENTS (continued) *****

cr		DeepCor Marine, Inc.
intp		Elite Communication Services, Inc.
cr		Fugro USA Marine, Inc.
cr		JPMorgan Chase Bank, N.A.
cr		Oceaneering International, Inc.
cr		Odyssea Marine, Inc.
cr		Oil States International, Inc.
cr		Oil States Skagat Smatco, LLC
cr		Petro Pull, LLC
intp		Pipeline II, LLC
cr		Regions Bank
cr		Stansbury and Associates, LLC
cr		Work Boat Electrical Services, LLC
cr	##+	Dale Martin Offshore, L.L.C., 200 Beaullieu Drive, Lafayette, LA 70508-7230

TOTALS: 18, * 0, ## 1

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

Addresses marked '##' were identified by the USPS National Change of Address system as undeliverable. Notices will no longer be delivered by the USPS to these addresses; therefore, they have been bypassed. The debtor's attorney or pro se debtor was advised that the specified notice was undeliverable.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jun 07, 2017 Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on June 5, 2017 at the address(es) listed below:
NONE. TOTAL: 0