

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION**

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In re: : Chapter 11
: :
: : Case No. 08-62733
TRIAD RESOURCES, INC., :
: :
: : Judge C. Kathryn Preston
Debtor. :
-----x

In re: : Chapter 11
: :
: : Case No. 08-62744
TRIAD ENERGY CORPORATION, :
: :
: : Judge C. Kathryn Preston
Debtor. :
-----x

In re: : Chapter 11
: :
: : Case No. 08-62747
TRITEX ENERGY, L.L.C., :
: :
: : Judge C. Kathryn Preston
Debtor. :
-----x

In re: : Chapter 11
: :
: : Case No. 08-62749
TRITEX RESOURCES, L.L.C., :
: :
: : Judge C. Kathryn Preston
Debtor. :
-----x

In re: : Chapter 11
: :
: : Case No. 08-62757
TRIAD OIL & GAS CO., LTD., :
: :
: : Judge C. Kathryn Preston
Debtor. :
-----x

In re: : Chapter 11
: :
: : Case No. 08-62759
ALPHA DRILLING, LTD., :
: :
: : Judge C. Kathryn Preston
Debtor. :
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**APPLICATION OF DEBTORS AND DEBTORS IN POSSESSION, PURSUANT TO
28 U.S.C. §156(C) AND BANKRUPTCY RULE 2002, FOR ENTRY OF AN ORDER
AUTHORIZING EMPLOYMENT AND RETENTION OF BMC GROUP, INC.
AS CLAIMS, NOTICING AND BALLOTING AGENT,
NUNC PRO TUNC AS OF THE PETITION DATE**

Triad Resources, Inc. (“TRI”), Triad Energy Corporation (“TEC”), TriTex Energy, LLC (“TEL”), TriTex Resources, LLC (“TRL”), Triad Oil & Gas Co., Ltd. (“TOG”) and Alpha Drilling, Ltd. (“ADL”) (each a “Debtor” and, collectively, the “Debtors”), the debtors and debtors in possession in the above-captioned chapter 11 cases (the “Cases”), by and through their undersigned proposed counsel, hereby apply (the “Application”), pursuant Rule 2002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and 28 U.S.C. §156(c), for the entry of an order authorizing and approving the retention of BMC Group, Inc. (“BMC”) as claims, noticing and balloting agent for the Debtors. In further support of this Application, the Debtors submit the *Declaration of Tinamarie Feil in Support of the Application of the Debtors and Debtors in Possession, Pursuant to 28 U.S.C. §156(c) and Bankruptcy Rule 2002, Authorizing Employment and Retention of BMC Group, Inc. as Claims, Noticing and Balloting Agent, Nunc Pro Tunc as of the Petition Date* (the “Feil Declaration”), attached hereto as Exhibit A and incorporated by reference herein, and respectfully represent as follows:

JURISDICTION

1. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§157 and 1334. Consideration of the Application is a core proceeding pursuant to 28 U.S.C. §157(b)(2).
2. Venue is proper in this District pursuant to 28 U.S.C. §§1408 and 1409.
3. The statutory predicates for the relief requested herein are Bankruptcy Rule 2002 and 28 U.S.C. §156(c).

BACKGROUND

4. On the date hereof (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code").

5. The Debtors are operating their businesses as debtors and debtors-in-possession pursuant to Bankruptcy Code Sections 1107 and 1108. No trustee, examiner or official committee of unsecured creditors has been appointed.

6. Detailed facts about the Debtors, the reasons for the commencement of their Cases, and additional support for this Application are set forth in the *Affidavit of James R. Bryden in Support of Chapter 11 Petition and First Day Motions* (the "Bryden Affidavit"), filed contemporaneously herewith.

RELIEF REQUESTED

7. The Debtors seek entry of an order authorizing the appointment of BMC as the official claims, noticing, and balloting agent to (a) maintain, process and docket claims and interests filed in these Cases, (b) provide case information and transmit notices to appropriate parties as required by the Bankruptcy Code and the Bankruptcy Rules, (c) assist in the preparation of the Debtors' schedules and statements of financial affairs (the "Schedules"), (d) assist the Debtors with the dissemination of solicitation materials relating to a plan of reorganization, and (e) assist the Debtors in the process of receiving and tabulating ballots submitted in connection therewith. The Debtors believe that BMC is well-qualified to serve in this capacity and that BMC's retention is in the best interests of the Debtors' respective estates and their creditors.

BASIS FOR RELIEF REQUESTED

8. The relief requested herein is appropriate under 28 U.S.C. §156(c) which governs staffing and expenses of the Court and states in pertinent part:

Any court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the costs of such facilities or services are paid out of the assets of the estate and are not charged to the United States.

28 U.S.C. §156(c).

9. The Debtors have identified in excess of twenty five hundred (2,500) entities or persons to which notice must be given for various purposes. Such a large number of parties makes utilization of an outside claims and noticing agent necessary and appropriate in these Cases.

10. Pursuant to the engagement letter attached as Exhibit 1 to the Feil Declaration (the "Engagement Letter"), BMC will provide the following services to the Debtors:

- (a) prepare and serve those notices required in the Cases;
- (b) receive, record and maintain copies of all proofs of claim and proofs of interest filed in the Cases;
- (c) create and maintain the official claims registers;
- (d) receive and record all transfers of claims pursuant to Bankruptcy Rule 3001(e);
- (e) maintain an up-to-date mailing list for all entities who have filed proofs of claim and/or requests for notices in the Cases;
- (f) assist the Debtors and their counsel with the administrative management, reconciliation and resolution of claims;
- (g) mail and tabulate ballots for purposes of plan voting;
- (h) assist with the preparation and maintenance of Schedules and other master lists and databases of creditors, assets and liabilities;

- (i) assist with the production of reports, exhibits and schedules of information for use by the Debtors, the Debtors' counsel or to be delivered to the Court, the Clerk's Office, the United States Trustee or third parties;
- (j) provide other technical and document management services of a similar nature requested by the Debtors or the Clerk's office;
- (k) facilitate or perform distributions; and
- (l) maintain a call center for the benefit of the Debtors' creditors and other parties in interest.

11. The Debtors believe that the employment of BMC as claims and noticing agent will (a) relieve the clerk's office of a significant administrative burden, (b) avoid delay in processing proofs of claim and interests, (c) substantially reduce legal fees that would be otherwise incurred in connection with the retrieval of proof of claim copies from the clerk's office and responding to numerous claim-related inquiries and (d) substantially reduce costs of notice to parties and provide an efficient medium to communicate case information. In addition, the Debtors' management and professionals will coordinate responsibilities with BMC to ensure that no unnecessary duplication of services occurs.

12. BMC is well-qualified to perform claims processing and the various services set forth in the Engagement Letter. BMC specializes in providing data processing services to Chapter 11 debtors in connection with administration and reconciliation of claims, as well as administration of plan of reorganization balloting.

13. BMC has provided identical or substantially similar services in many other Chapter 11 cases in this District and in a variety of other jurisdictions. *See, e.g., In re Techneglas, Inc.*, Case No. 04-62788 (Bankr. S.D. Ohio); *In re Excelllo Engineered Systems, LLC*, Case No. 08-51424 (Bankr. N.D. Ohio); *In re CEP Holdings, LLC*, No. 06-51848 (Bankr. N.D. Ohio); *In re Musicland Holding Corp.*, No. 06-10064 (Bankr. S.D.N.Y.); *In re Oxford*

Auto., Inc., No. 04-74377 (Bankr. E.D. Mich.); *In re ATA Holdings Corp.*, No. 04-19866 (Bankr. S.D. Ind.); *In re Am. Commercial Lines*, No. 03-90305 (Bankr. S.D. Ind.); *In re Fansteel*, 02-10109 (Bankr. D. Del.); *In re Conseco, Inc.*, 02-B-49672 (Bankr. N.D. Ill.).

14. As compensation for the services provided, BMC will bill the Debtors in accordance with the amounts and procedures set forth in the Engagement Letter. In an effort to reduce the administrative expenses related to BMC's retention, no fee application or other filing with this Court will be required. The prices set forth in the Engagement Letter are at least as favorable as those charged by BMC to other Chapter 11 debtors for similar services.

15. BMC received a prepetition retainer of \$10,000 to cover prepetition services on December 17, 2008, at which time BMC began working for the Debtors pursuant to the terms of the Engagement Letter. On December 30, 2008, BMC received payment of \$19,524.53 for prepetition services.

16. The customary hourly rates, subject to periodic adjustments, charged by the professionals anticipated to be assigned to this Case are as follows:

Title	Hourly Rate
Seniors/Principals	\$205-\$295 per hour
Project Managers	\$175-\$215 per hour
Consultants	\$110-\$140 per hour
Analysts	\$80-110 per hour
Data Entry/Administrative Support	\$25-45 per hour

17. BMC will comply with all requests of the clerk of the Court and follow the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. §156(c).

BMC'S DISINTERESTEDNESS

18. To the best of the Debtors' collective knowledge, and as disclosed in the Feil Declaration, the officers and employees of BMC: (a) do not have any adverse connection with

the Debtors, the Debtors' creditors or any other party in interest or their respective attorneys and accountants, the United States Trustee or any person employed in the office of the United States Trustee; and (b) do not hold or represent an interest adverse to the Debtors' respective estates.

19. To the best of the Debtors' knowledge, BMC is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, in that its officers and employees:

- (a) are not creditors, equity security holders, or insiders of any of the Debtors;
- (b) are not and were not investment bankers for any outstanding security of any of the Debtors;
- (c) have not been, within three (3) years before the date of filing of the Debtors' chapter 11 petition, (i) investment bankers for a security of the Debtors, or (ii) an attorney for such investment banker in connection with the offer, sale, or issuance of a security of the Debtors; and
- (d) were not, within two (2) years before the date of filing of the Debtors' chapter 11 petitions, a director, officer, or employee of the Debtors or of any investment banker as specified in subparagraph (b) or (c) of this paragraph.

20. Upon information and belief, BMC, in connection with its appointment as notice, claims, and balloting agent in these Cases:

- (a) is not and will not be employed by any federal or state agency (the "Government") and will not seek any compensation from the Government;
- (b) by accepting employment in these Cases, it waives any right to receive compensation from the Government for any work performed pursuant to this retention;
- (c) is not an agent of the Government and is not acting on behalf of the Government;
- (d) will not misrepresent any fact to the public; and
- (e) will not employ any past or present employees of the Debtors for work involving this Chapter 11 Case.

21. BMC will conduct an ongoing review of its files to ensure that no conflict or other disqualifying circumstances exist or arise. If any new facts or relations are discovered, BMC will supplement its disclosure to the Court.

INDEMNIFICATION PROVISION

22. The Engagement Letter provides that the Debtors shall indemnify and hold BMC, its officers, employees and agents harmless against any losses, claims, damages, judgments, liabilities and expenses (including reasonable counsel fees and expenses) resulting from action taken or permitted by BMC in good faith with due care and without negligence in reliance upon instructions or orders received from the Debtors as to anything arising in connection with its performance under the Engagement Letter, except with respect to breaches under Section VII "Confidentiality". The Engagement Letter also provides that, except with respect to certain breaches of confidentiality (which are more fully described in the Engagement Letter), (i) BMC shall be without liability to the Debtors with respect to any performance or non-performance, in accordance with the terms of the Engagement Letter or instructions properly received pursuant thereto, if done in good faith and without negligence or willful or wanton misconduct; and (2) BMC's liability to the Debtors for any losses or damages, whether direct or indirect, arising out of the Engagement Letter shall not exceed the total amount billed or billable to the Debtors for the portion of the particular work which gave rise to the loss or damage; and (3) in no event shall BMC be liable for any indirect, special or consequential damages such as loss of anticipated profits or other economic loss in connection with or arising out of the services provided for in the Engagement Letter.

23. The Debtors request that the indemnification provisions of the Retention Agreement be approved.

BASIS FOR RELIEF

24. The preceding indemnification procedures are a “market” term of consideration for professional services provided to Chapter 11 debtors and the procedures are in substantially the same form as the indemnification procedures that were negotiated with certain United States Trustees and approved by courts in the following cases: *In re Techneglas, Inc.*, Case No. 04-62788 (Bankr. S.D. Ohio); *In re Excello Engineered Systems, LLC*, Case No. 08-51424 (Bankr. N.D. Ohio); *In re CEP Holdings, LLC*, No. 06-51848 (Bankr N.D. Ohio); *In re Enron Corp.*, No. 01-16034 (Bankr. S.D.N.Y.); *In re Global Crossing Ltd.*, No. 02-40188 (Bankr. S.D.N.Y.); *In re Worldcom, Inc.*, No. 02-13533 (Bankr. S.D.N.Y.); *In re Hayes Lemmerz Int’l, Inc.*, No. 01-11508 (Bankr. D. Del.); and *In re Mpower Holding Corp.*, No. 02-11047 (Bankr. D. Del); *In re Exide Techs.*, Case No. 02-11125 (JCA) (Bankr. D. Del. August 21, 2002); *In re United Artists Theatre Co.*, Case No. 00-03514 (SLR) (Bankr. D. Del. Sept. 7, 2000); *In re Ameriserve Food Distribution, Inc.*, Case No. 00-0358 (PJW) (Bankr. D. Del. May 9, 2000).

25. The terms and conditions of the Engagement Letter, including the indemnification provisions contained therein, were negotiated by the Debtors and BMC at arm’s length and in good faith. The Debtors respectfully submit that the indemnification provisions contained in the Engagement Letter, viewed in conjunction with the other terms of BMC’s proposed retention, are reasonable and in the best interests of the Debtors, their respective estates and creditors.

MEMORANDUM OF LAW

26. Because this Application presents no novel issues of law and the authorities relied upon are stated herein, the Debtors respectfully request that this Court waive the requirement contained in Local Bankruptcy Rule 9013-1(a) that the Debtors file a separate memorandum of law in support of this Application.

NOTICE

27. Notice of the Application has been given to (a) the Office of the United States Trustee, (b) Capital One National Association, as Administrative Agent for the Secured Lenders, (c) the Debtors' consolidated thirty (30) largest unsecured creditors and (d) WesBanco Bank, Peoples Bank, CNH Capital, Caterpillar Financial, Chrysler Financial and Ford Motor Credit Company. The Debtors submit that, under the circumstances, no other or further notice need be given.

NO PRIOR REQUEST

28. No prior request for the relief sought in this Application has been made to this or any other Court.

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CONCLUSION

WHEREFORE, the Debtors respectfully requests that the Court enter an Order, substantially in the form attached hereto as Exhibit B, granting the relief requested herein and such other and further relief as the Court deems just and proper.

Dated: December 30, 2008

Respectfully submitted by:

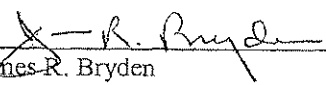
/s/ James R. Bryden
James R. Bryden
On Behalf of Each Debtor and Debtor-in-Possession

CONCLUSION

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Dated: December 30, 2008

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James R. Bryden
On Behalf of Each Debtor and Debtor-in-Possession