

George Hofmann (10005)  
Jeffrey Trousdale (14814)  
**Cohne Kinghorn, P.C.**  
111 East Broadway, 11th Floor  
Salt Lake City, UT 84111  
Telephone: (801) 363-4300

Attorneys for George Hofmann, Chapter 7 Trustee

---

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

---

IN THE MATTER OF PACIFIC ENERGY  
& MINING COMPANY

**NOTICE OF APPOINTMENT OF  
BANKRUPTCY TRUSTEE, ONGOING  
INVESTIGATION, AND RESERVATION  
OF RIGHTS**

Case No. 18-2602-01

---

George Hofmann, in his capacity as the duly-appointed Chapter 7 Trustee (the “Trustee”) of the bankruptcy estate of Pacific Energy & Mining Company (the “Debtor”), by and through counsel, respectfully submits this Notice of Appointment of Bankruptcy Trustee, Ongoing Investigation, and Reservation of Rights, and represents as follows:

**BACKGROUND**

**I. The Bankruptcy Case**

1. On July 10, 2019 (the “Petition Date”), the Debtor filed a voluntary petition under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), thus commencing Bankruptcy Case No. 19-25030 (the “Bankruptcy Case”) in the United States Bankruptcy Court for the District of Utah (the “Bankruptcy Court”).

2. On November 7, 2019, the Bankruptcy Court entered an order converting the Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code, and the

Trustee was appointed as the Chapter 7 trustee of the Debtor's estate (the "Estate") thereafter.

3. In his capacity as trustee, the Trustee has the authority and obligation to: (i) collect and reduce to money the property of the estate for which he serves; (ii) be accountable for all property received; (iii) investigate the financial affairs of the debtor; (iv) operate the Debtor's business, if in the best interest of the estate; and (v) distribute property of the estate. See, e.g. 11 U.S.C. §§ 704, 721 & 726.

## **II. Ongoing Investigation and Reservation of Rights**

4. The Trustee's investigation of the Debtor and the Estate has just begun and remains ongoing.

5. Among other matters, the Trustee has not yet determined the extent or nature of the Debtor's interest(s) in the "Paradox Pipeline" that is the subject of the above-captioned proceeding, and has barely begun investigating the extent and nature of the violations alleged by the Division of Public Utilities (the "DPU") with respect to the Debtor's alleged (mis)operation of the Paradox Pipeline.

6. The Trustee has reviewed the *Scheduling Order and Notice of Hearing* (the "Notice") issued by the Public Service Commission (the "PSC") on October 18, 2019.

7. Because the Trustee was only recently appointed in the Bankruptcy Case, the Trustee has not yet determined the "facts to be established, legal issues to be resolved, and relief sought at hearing" as required by the Notice.

8. The Trustee requests additional time to continue his investigation of the Debtor and its Estate.

9. The Trustee reserves all rights with respect to the hearing to be held on December 19 and 20, arguments to be presented at the hearing, and any findings and conclusions to be made at the hearing.

10. In particular, the Trustee objects to any findings and conclusions that might relate to the property of the Estate, as such matters are more properly reserved for the Bankruptcy Court and/or are stayed by operation of the “automatic stay” under Section 362 of the Bankruptcy Code.

### **CONCLUSION**

The Trustee respectfully requests that the PSC refrain from entering any order that might relate to property of the Estate, including any finding or conclusion as to the nature or extent of property of the Estate. The Trustee or his counsel intend to appear at the hearing to be held on December 19 and 20, and the Trustee reserves his right to make additional arguments or presentations of evidence at such time.

DATED this 18<sup>th</sup> day of November, 2019.

**COHNE KINGHORN, P.C.**

/s/ Jeffrey Trousdale  
\_\_\_\_\_  
George Hofmann  
Jeffrey Trousdale  
Attorneys for George Hofmann, Trustee

## CERTIFICATE OF SERVICE

The undersigned certifies that on this 18<sup>th</sup> day of November, 2019, a true and complete copy of the foregoing **NOTICE OF APPOINTMENT OF BANKRUPTCY TRUSTEE, ONGOING INVESTIGATION, AND RESERVATION OF RIGHTS** was served via electronic service upon all parties registered to receive electronic service in this case.

By U.S. Mail:

Office of Consumer Services  
160 East 300 South  
2nd Floor  
Salt Lake City, UT 84111

Dean H. Christensen Manager  
Dead Horse Oil Company  
17 West Main Street  
Green River, UT 84525

By e-mail:

Dan Green ([dfgreen1@dslextreme.com](mailto:dfgreen1@dslextreme.com))  
Tariq Ahmed ([taroil@yahoo.com](mailto:taroil@yahoo.com))

Terry R. Spencer, Ph.D. ([terry@spencerandjensen.com](mailto:terry@spencerandjensen.com))  
Spencer & Jensen, PLLC  
*Attorney for PEMC*

Rodney Nugent ([rnuge1@yahoo.com](mailto:rnuge1@yahoo.com))  
Registered Agent – PEMC

Dean Christensen  
([dirtbag129@gmail.com](mailto:dirtbag129@gmail.com)) Manager, Dead  
Horse Oil Company

Patricia Schmid  
([pschmid@agutah.gov](mailto:pschmid@agutah.gov)) Justin Jetter  
([jjetter@agutah.gov](mailto:jjetter@agutah.gov)) Robert Moore  
([rmoore@agutah.gov](mailto:rmoore@agutah.gov)) Steven Snarr  
([stevensnarr@agutah.gov](mailto:stevensnarr@agutah.gov))  
*Assistant Utah Attorneys General*

Madison Galt ([mgalt@utah.gov](mailto:mgalt@utah.gov))

*Division of Public Utilities*

/s/ Mashell Parks