

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

IN RE: § **Chapter 11**
§
LUCA INTERNATIONAL GROUP LLC¹ § **CASE NO. 15-34221-H2-11**
§
Debtors. § **Joint Administration Pending**
§ **Judge David R. Jones**
§

**EMERGENCY MOTION TO EXTEND THE 14 DAY DEADLINE TO FILE DEBTORS'
SCHEDULES AND STATEMENT OF FINANCIAL AFFAIRS
TO SEPTEMBER 9, 2015**

TO THE HONORABLE UNITED STATES BANKRUPTCY COURT:

Luca International Group LLC (“LIG”), Luca International Group (Texas) LLC (“LIGTX”), Luca Operation, LLC (“LOL”), Luca Barnett Shale Joint Venture, LLC (“LBSJV”), Luca Energy Fund LLC (“LEF”), Luca Energy Resources, LLC (“LER”), Luca Resources Group, LLC (“LRG”), Luca I, LP (“Luca I”), Luca II, LP (“Luca II”), Luca Oil, LLC (“Luca Oil”), Luca To-Kalon Energy, LLC (“LTKE”), and Luca Oil II Joint Venture (collectively “Debtors”), debtors and debtors-in-possession, file this Emergency Motion to Extend the Deadline to File Schedules and Statements of Financial Affairs (“Motion”) and in support thereof would respectfully show the Court as follows:

I. SUMMARY AND BASIS FOR EMERGENCY CONSIDERATION

1. By this Motion, the Debtors seek an extension of the time to file their schedules and statements – extending the deadline to September 9, 2015. Cause for emergency consideration

¹ The Debtors in these cases, along with the last four digits of their respective taxpayer ID numbers, are Luca International Group LLC (1086), Luca Operation, LLC (0343), Luca International Group (Texas) LLC (5577), Luca Barnett Shale Joint Venture, LLC (5340), Luca Energy Fund LLC (0677), Luca Energy Resources, LLC (0000), Luca Resources Group, LLC (1699), Luca I, LP (4104), Luca II, LP, (9778), Luca Oil, LLC (8161), Luca To-Kalon Energy LLC (3922), Luca Oil II Joint Venture (6604).

exists because the existing deadline to file schedules and statements is August 20, 2015, and, due to the emergency nature of these Chapter 11 filings, the Debtors have not yet had sufficient time to collect and assemble all of the requisite financial data and other relevant information required to complete all of the Schedules and Statement of Financial Affairs.

2. The meeting of creditors has not yet been scheduled and is likely not to be scheduled prior to the requested deadline, so the extension should not unfairly prejudice creditors.

II. JURISDICTION AND VENUE

3. This Court has jurisdiction by virtue of 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(M).

4. Venue is proper in this district pursuant to 28 U.S.C. § 1408(1) and (2) because Debtors' principal place of business has been located in this district for more than 180 days preceding the filing of these bankruptcy cases and there are pending affiliated cases for which joint administration has been requested.

5. The statutory predicate for the relief sought herein is Bankruptcy Rule 1007.

III. BACKGROUND INFORMATION

6. The above captioned Chapter 11 bankruptcy cases were each filed on August 6, 2015 ("Petition Date"), under Chapter 11 of Title 11 of the Bankruptcy Code, 11 U.S.C. §§101 et sq. (the "Bankruptcy Code"). The Debtors continue to manage their respective property as a debtors-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. A motion seeking to jointly administer these cases is currently pending before the Court.

7. No trustee or examiner has been appointed in the Debtors' bankruptcy cases and no official committee of unsecured creditors has been established.

8. A detailed factual background of the Debtors' businesses and operations, as well as the commencement of these Chapter 11 cases, is more fully set forth in the *Affidavit of Loretta R. Cross filed in Support of the Debtors' Chapter 11 Petitions and Requests for First-Day Relief* filed contemporaneously herewith and incorporated herein by reference. A brief summary of the factual background is listed below.

9. The Debtors are engaged in the exploration and production of natural gas, petroleum and related hydrocarbons. Bingqing Yang ("Yang") is the sole member for Debtors. Debtors obtained money from investors that was placed into various entities that were utilized in the operations of other entities.

10. LOL has a draft reserve report that was prepared in March by Gustavson Associates. The reserve report indicates that LOL has proved developed non-producing and proved behind pipe net reserves of approximately 3.2 billion cubic feet of gas and 450 million barrels of oil. The reserve report did not address proved undeveloped, probable or possible reserves.

11. On July 6, 2015, under Case No. 15-cv-03101, the Securities and Exchange Commission ("SEC") filed a lawsuit against several LUCA entities, including the Debtors, other Debtor affiliates, Yang and certain other individuals in the United States District Court of the Northern District of California, San Francisco Division ("SEC lawsuit"). The SEC lawsuit alleged securities fraud against the defendants for a scheme targeting the Chinese American community as well as investors in Asia to invest in the various unregistered offerings. There are SEC allegations of funds being used for Yang's personal expense. The SEC has sought the appointment of a receiver, and this matter remains pending.

12. In order to restore credibility to the operation, the Debtors, pursuant to various consents executed by Yang, retained Loretta R. Cross of Stout Risius Ross, Inc. as Chief Restructuring Officer (the "CRO") of the Debtors with full authority to operate the Debtors. Ms. Cross has served in that capacity since July 16, 2015.

IV. Request for Relief

13. The Debtors request a 20 day extension, until September 9, 2015, to file their statements and schedules. Due to the emergency nature of these Chapter 11 filings, the Debtors have not yet had sufficient time to collect and assemble all of the requisite financial data and other relevant information required to complete all of the Schedules and Statement of Financial Affairs.

14. Although the statements and schedules are in process, the Debtors have not had an opportunity to complete the detailed information necessary in order to file accurate statements and schedules and do not anticipate being able to comply with the deadline.

15. The original deadline for filing the schedules and statements is August 20, 2015. Granting the requested extension will not prejudice any party in interest because the 341 Meeting of Creditors is not yet scheduled and will likely not occur prior to the requested extension. Thus, the administration of this case will not be delayed by permitting the Debtors to have additional time to file their Schedules and Statements of Financial Affairs.

16. Based upon the foregoing, "cause" exists pursuant to Federal Rule of Bankruptcy Procedure 1007(c) to grant an extension to the Debtors to file their statements and schedules until September 9, 2015.

17. Notice of this Motion has been provided to the Office of the United States Trustee for the Southern District of Texas, the Debtors' secured creditors, the consolidated 20 largest

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