

## Drilling Company Founder Giving Up Stake in Bankruptcy Settlement

BRETT BARROUQUERE, Associated Press

LOUISVILLE, Ky. (AP) — The founder of a now-bankrupt southern Kentucky oil and gas drilling firm will surrender all interest in the company as part of a settlement with a bankruptcy trustee that ends years of litigation with the trustee for the company.

Under the terms of the agreement, the trustee for Mammoth Resource Partners is dropping a \$770,000 claim against former company chief executive officer Roger Louis Cory of Cave City. In exchange, Cory is relinquishing any ownership claim and financial interest he had in Mammoth and its various partnerships and projects.

The settlement, approved Wednesday by U.S. Bankruptcy Judge Joan Lloyd, ends any involvement Cory founded in 2004. It also brings to an end the bankruptcy trustee's drive to collect at least \$770,000 thousand Cory transferred from the company in the five years before it went bankrupt in 2010 with \$ 1 million to \$10 million in assets and between \$500,000, \$1 million in liabilities at the time of the filing and each of the plaintiffs as a creditor with the amount owed as "unknown."

The settlement includes dismissing a lawsuit filed in 2012 against Cory seeking the money.

"The settlement agreement ... is in the best interest of the Mammoth estate and the partnerships," said Mark A. Robinson, the attorney for bankruptcy trustee Robert Leasure.

The troubled company based in Cave City operated 15,000 acres of lease and land holdings in the Appalachian Basin. The company's website was not functional Wednesday or Thursday. It is registered to Mammoth Resource Partners through February. A message and email left for the company was not returned.

Leasure is still pursuing former company president Daniel Northcutt of Hardysville in a lawsuit accusing him of improperly transferring assets from the company as it spiraled into bankruptcy.

Almost from the start, Mammoth Resource Partners has been beset by legal issues. The company and Cory ran afoul of Kentucky regulators in 2004, when the state sought to sanction the company for violating the Securities Act of Kentucky. The company and regulators reached a settlement in 2007, requiring compliance with the law and imposing a \$20,000 fine, of which \$15,000 was suspended.

Since then, multiple lawsuits have been brought by investors in the company, including one filed in 2007 by a group that put up between \$4 million and \$5

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million. Lloyd approved a settlement in that case in 2012 allowing one-third of the investors' bankruptcy claims to fall behind creditors who have collateral.

The remaining two-thirds of each claim would be paid only after all other creditors are paid and if there were any funds left, leaving it questionable as to whether any of the investors will ever recoup money.

In another suit, a group of investors in southeastern Kentucky gas wells paid \$60,000 to assume control of a drilling project and remove Mammoth Resource Partners from the venture.

That agreement resolved claims between Pioneer Energy and several affiliates and Mammoth Resource Partners. The investors said they put money into a scam consisting of big promises and no results.

Cory is also in bankruptcy, with a trustee seeking to close the case and leaving \$1.9 million in claims as unpaid.

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