

Plaintiffs Paradigm Energy Partners, LLC (“**Paradigm Energy**”) and Paradigm Midstream Services – ND, LLC (“**Paradigm Midstream**”) (collectively, the “**Plaintiffs**”) file this *Complaint for Interpleader, Declaratory Judgment, and Other Relief* (the “**Complaint**”) and in support thereof, respectfully allege and state as follows:

I. THE PARTIES

1. Paradigm Energy is a limited liability company organized and existing under the laws of the State of Delaware, and a North Dakota foreign limited liability company, with a principal place of business located at 545 E. John Carpenter Freeway, Suite 800, Irving, Texas 75062.

2. Paradigm Midstream is a limited liability company organized and existing under the laws of the State of Delaware, and a North Dakota foreign limited liability company, with a principal place of business located at 545 E. John Carpenter Freeway, Suite 800, Irving, Texas 75062. Paradigm Midstream is a wholly-owned subsidiary of Paradigm Energy.

3. Upon information and belief, BGA Management, LLC d/b/a Alliance Management (the “**Receiver**”) is a limited liability company organized and existing under the laws of the State of Delaware, and a North Dakota foreign limited liability company, with a principal place of business located at 601 Carlson Parkway, Suite 110, Minneapolis, Minnesota 55305. On June 9, 2015 (the “**Effective Date**”), the District Court for the County of Cass entered its *Order Appointing Receiver*, appointing the Receiver over WCE Oil Field Services, LLC (“**WCE**”), WCE Holdco, LLC, and WCE Safety Services, LLC, and authorized the Receiver to take immediate control of their assets, in civil action number 09-2015-CV-01394 pending before that Court.

4. Upon information and belief, WCE, WCE Holdco, LLC, and WCE Safety Services, LLC are limited liability companies organized and existing under the laws of the State of Delaware, and North Dakota foreign limited liability companies, each with a principal place of business located at 4141 38th Street S.W., Suite 2, Fargo, North Dakota 58104.

5. Upon information and belief, Professional Service Industries, Inc. (“**PSI**”) is a corporation organized and existing under the laws of the State of Delaware, and a North Dakota foreign business corporation, with a principal place of business located at 1901 S. Meyers Road, Suite 400, Oakbrook Terrace, Illinois 60181.

6. Upon information and belief, Precision Underground, Inc. (“**Precision**”) is a corporation organized and existing under the laws of the State of North Dakota, with a principal place of business located at 968 Industrial Drive, Bismarck, North Dakota 58501.

7. Upon information and belief, North Central Rental & Leasing LLC (“**North Central**”) is a limited liability company organized and existing under the laws of the State of North Dakota, with a principal place of business located at 3401 33rd Street South, Fargo, North Dakota 58104.

8. Upon information and belief, Excel Equipment Co. Inc. (“**Excel**”) is a corporation organized and existing under the laws of the State of Idaho, with a principal place of business located at 6700 Business Way, Boise, ID 83716.

9. Upon information and belief, RDO Equipment Co. (“**RDO**”) is a corporation organized and existing under the laws of the State of Delaware, and a North

Dakota foreign business corporation, with a principal place of business located at 700 S. 7th Street, P.O. Box 7160, Fargo, ND 58106.

10. Upon information and belief, West States Energy Contractors, Inc. (“**West States**”) is a corporation organized and existing under the laws of the State of New Mexico, and a North Dakota foreign business corporation, with a principal place of business located at 32 Road 3718, Bloomfield, New Mexico 87413.

11. The Receiver, PSI, Precision, North Central, Excel, RDO, and West States are collectively referred to herein as the “**Defendants.**” PSI, Precision, North Central, Excel, and RDO are collectively referred to herein as the “**non-Receiver Defendants.**” The Plaintiffs and Defendants are collectively referred to herein as the “**Parties.**”

II. JURISDICTION AND VENUE

12. This Court has subject matter over this action because the amount in controversy is within the jurisdictional limits of this Court. This Court may exercise personal jurisdiction over the Parties because each party is either organized under the laws of the State of North Dakota or has had sufficient contact with the State of North Dakota by (a) transacting business in this State, (b) contracting to supply or supplying service, goods, or other things in this State, or (c) having an interest in, using, or possessing property in this State pursuant to N.D.R. Civ. P. 4 (a) and (b).

13. Venue is proper in this County pursuant to N.D.C.C. § 28-04-01 because this matter relates to real property situated in McKenzie County. Additionally, venue is proper in this County pursuant to N.D.C.C. § 28-04-04 because the Parties have all transacted business in this County.

III. BACKGROUND FACTS

A. Paradigm Midstream and WCE (Breach of Contract)

(i) The MSA

14. The Plaintiffs gather and transport crude oil produced from the Bakken Shale in North Dakota.

15. Among its other assets, Paradigm Energy owns and operates a crude-oil gathering system situated in McKenzie County, North Dakota (the “**Charlson System**”). The Charlson System gathers crude oil from various points in and around McKenzie County to deliver the crude oil to various destinations within North Dakota. The Charlson System is more particularly described in documents attached hereto as Exhibit A.

16. Paradigm Midstream operates the Charlson System, and performs construction, maintenance, and other related work on the Charlson System.

17. Upon information and belief, prior to the Effective Date, WCE was in the business of installing, excavating, and maintaining oil and gas pipelines in North Dakota.

18. Prior to the Effective Date, Paradigm Midstream and WCE entered into that certain *Master Service Agreement Between Paradigm Midstream Services - ND, LLC and WCE Oil Field Services, Inc., MSA # 2014-0015* (the “**MSA**”).

19. Pursuant to the MSA, WCE agreed to perform certain specified services on and relating to the Charlson System, defined in §1.1 of the MSA as:

[A] written statement of work executed and delivered by [Plaintiff] and [WCE] that describes with particularity the Work that [WCE] is to provide [Plaintiff] or [its] Affiliates from time to time

(the “**Statement of Work**”). All Statements of Work under the MSA constitute the “**Project.**”

20. The MSA contemplated that WCE would sub-contract with third parties to carry out the Statement of Work.

21. Section 4.1 of the MSA addresses defective work under the contract and provides, in pertinent part:

[WCE] shall perform the Work for [Paradigm Midstream] . . . in a professional manner with the standard of care, skill, and diligence normally provided by a professional person or firm in the performance of work similar to the Work At [Paradigm Midstream’s] election, [WCE] shall promptly correct or re-perform Work that does not comply fully with the foregoing standards (“Defective Work”), except that if Contractor cannot correct or re-perform the Defective Work within a reasonable time after [either party’s] discovery of the Defective Work, [WCE] shall (i) refund all amounts paid by [Paradigm Midstream] for the Defective Work, and (ii) pay [Paradigm Midstream] the difference between the price of the Defective Work and the amounts paid by [Paradigm Midstream] to re-perform or cause a third party to re-perform the Defective Work (if the amounts paid for the re-performance are higher than the amounts that would have been paid to [WCE] for the Defective Work).

22. A party shall be in default under [the MSA] if such party (the “Defaulting Party”) breaches any Term [N]o cure period or notice from the Non-Default Party shall be required if (i) the default involves a . . . (z) failure to comply with the Schedule of Work [U]pon a default under [the MSA], the Non-Defaulting Party shall be entitled to . . . (2) terminate all Statements of Work affected by such default and have no further obligation under such Statements of Work to the Defaulting Party, and (3) declare all or part of the Defaulting Party’s

23. Section 4.8 of the MSA addresses cancellation of the MSA and provides, in pertinent part:

[Paradigm Midstream] may cancel all or a portion of Work without cause by notice to [WCE], and [WCE] shall immediately stop performance of the cancelled Work.

24. Section 12.1 of the MSA addresses default under the contract and provides, in pertinent part:

A party shall be in default under [the MSA] if such party (the "Defaulting Party") breaches any Term [N]o cure period or notice from the Non-Default Party shall be required if (i) the default involves a . . . (z) failure to comply with the Schedule of Work [U]pon a default under [the MSA], the Non-Defaulting Party shall be entitled to . . . (2) terminate all Statements of Work affected by such default and have no further obligation under such Statements of Work to the Defaulting Party, and (3) declare all or part of the Defaulting Party's obligations to the Non-Defaulting Party under affected Statements of Work immediately due. The Non-Defaulting Party may set off against all amounts the Non-Defaulting Party owes the Defaulting Party all amounts the Defaulting Party owes the Non-Defaulting Party.

25. Additionally, § 14.1 of MSA contains a "Time-is-of-the-Essence" clause, which provides as follows:

Time is of the essence in this Agreement. At any time, [Paradigm Midstream] may request written or financial assurance that [WCE] shall in good faith attempt to complete its performance of the Work on time. If [WCE] fails to give [Paradigm Midstream] adequate assurance of performance after written demand therefor when reasonable grounds for insecurity arise, then (a) Company may cancel the Statement of Work in whole or in part as to Work unperformed and may procure elsewhere services similar to the cancelled Work; and (b) [WCE] shall be liable for the difference between the cost of such similar services and the Compensation set forth in the Statement of Work for the cancelled Work.

(ii) WCE's Breach of the MSA

26. WCE breached the MSA by, among other things, failing to perform its obligations regarding the Statement of Work.

27. On or around May 21, 2015, WCE (a) fired all of its employees, including those employees who were working on the Charlson System for Paradigm Midstream pursuant to the MSA and (b) instructed its employees to vacate the Charlson System worksite, leave all equipment, materials, and trash on the Charlson System site, and not to return.

28. On May 21, 2015, Paradigm Midstream was told that WCE was filing for bankruptcy and was pulling its employees and equipment from the Charlson System site.

29. On May 22, 2015, Paradigm Midstream learned that WCE provided its employees with a letter on May 21, 2015 indicating that (a) WCE would not be performing any work on the Charlson System going forward, (b) WCE had ended its business operations, (c) WCE had not paid the May 2015 bill for its employees' medical insurance, and (d) WCE would not be offering insurance pursuant to the Consolidated Omnibus Budget Reconciliation Act (more commonly referred to as "COBRA").

30. After learning the foregoing information, on or around May 22, 2015, Paradigm Midstream provided WCE a written demand for adequate assurance of performance pursuant to the terms of the MSA (the "**Written Demand**").

31. WCE failed to respond to Paradigm Midstream's Written Demand.

32. Upon information and belief, since May 21, 2015, WCE has not operated a business capable of performing the work necessary to comply with its obligations under the MSA.

33. Additionally, during WCE's time as Paradigm Midstream's general contractor under the MSA, it was discovered during a quality assurance review of certain x-ray films taken on the Project that numerous welds performed by WCE and/or its

subcontractors did not meet the minimum integrity requirements defined in *API Standard 1104 Welding of Pipelines and Related Facilities*. In fact, several of the x-rays were of such poor quality that the integrity of the weld could not be determined. Such failure to meet the minimum integrity requirements constituted “Defective Work” as defined in the MSA (the “**Defective Work**”). As a result, all x-rays taken for the Project underwent a review by a WCE-hired, third-party x-ray inspection company to identify sites where Defective Work had to be unearthed and repaired, or cut out and replaced, or where the poor quality of the original x-ray required a new x-ray to ensure the quality of the weld. Paradigm Midstream incurred costs to hire third-party survey and inspection personnel to ensure that the repair work was completed in accordance with the applicable code, and in a professional manner consistent with the standard of care, skill, and diligence normally provided by a professional in the performance of similar work as required by the MSA. Paradigm Midstream’s cost to pay the third party to inspect and repair the Defective Work totaled \$123,504.33. Under the MSA, WCE was responsible for the increased cost to correct the Defective Work.

34. As a result of (a) WCE’s failure to respond to Paradigm Midstream’s Written Demand, (b) WCE’s termination of its business operations, and (c) WCE’s Defective Work, Paradigm Midstream procured services elsewhere in accordance with the MSA.

35. WCE’s failure to comply with the applicable Schedule of Work and its failure to respond to the Written Demand each constitute a breach of the terms of the MSA (the “**WCE Default**”).

36. Paradigm Midstream is entitled to damages from WCE under the MSA for the WCE Default.

B. The Defendants' Demands (Interpleader and Quiet Title)

(i) The Receiver Demand

37. The Receiver asserts that WCE performed and furnished labor, materials, and services used or employed in the construction of the Charlson System, or in the constructing, putting together, or repairing of any material used or employed on behalf of the Plaintiffs (the "WCE Services"), and that the Plaintiffs failed to pay WCE for the WCE Services.

38. The Receiver has demanded that the Plaintiffs pay for unpaid amounts allegedly owed to WCE for the WCE Services totaling \$1,300,716.39 (the "**Receiver Demand**").

39. On or about July 10, 2015, the Receiver filed a pipeline construction lien pursuant to N.D.C.C. § 35-24 with the Register of Deeds in McKenzie County, North Dakota, claiming that the Plaintiffs are obligated to pay the Receiver Demand (the "**WCE Lien**").

40. The Plaintiffs dispute the WCE Services, the Receiver Demand, and the validity of the WCE Lien.

(ii) The PSI Demand

41. Upon information and belief, PSI performs testing and inspection services in the oil and gas industry in, among other states, North Dakota.

42. PSI asserts that it was hired by WCE and performed and furnished labor, materials, and services used or employed in the construction of the Charlson System, or

in the constructing, putting together, or repairing of any material used or employed on behalf of the Plaintiffs (the “**PSI Services**”).

43. PSI asserts that the PSI Services total \$143,649.00 (the “**PSI Demand**”), and that WCE never paid it for the alleged services rendered by PSI.

44. PSI asserts that Plaintiffs now owe it for the alleged services rendered by PSI on the Charlson System.

45. PSI has demanded that Plaintiffs pay PSI the PSI Demand.

46. PSI has threatened to file a pipeline construction lien pursuant to N.D.C.C. § 35-24 with the Register of Deeds in McKenzie County, North Dakota, claiming that the Plaintiffs are obligated to pay the PSI Demand.

47. Upon information and belief, the PSI Services are included in the Receiver’s Demand. Therefore, the Receiver and PSI seek payment of amounts representing the same services allegedly rendered.

48. Upon information and belief, the PSI Demand includes amounts from invoices for work on the Charlson System for which (a) the Plaintiffs already paid WCE or (b) WCE already paid PSI.

49. The Plaintiffs dispute the PSI Services, the PSI Demand, and the validity of any lien filed by PSI claiming that the Plaintiffs are obligated to pay the PSI Demand.

(iii) The Precision Demand

50. Precision asserts that it was hired by WCE and performed and furnished labor, materials, and services used or employed in the construction of the Charlson System, or in the constructing, putting together, or repairing of any material used or employed on behalf of Paradigm Energy (the “**Precision Services**”).

51. Precision asserts that the Precision Services total \$472,541.25 (the “**Precision Demand**”), and that WCE never paid for the alleged services rendered by Precision Services.

52. Precision asserts that Plaintiffs now owe it for the alleged services rendered by Precision on the Charlson System.

53. On or about June 5, 2015, Precision filed a pipeline construction lien pursuant to N.D.C.C. § 35-24 with the Register of Deeds in McKenzie County, North Dakota, claiming that Paradigm Energy is obligated to pay the Precision Demand (the “**Precision Lien**”).

54. Upon information and belief, the Precision Services are included in the Receiver’s Demand. Therefore, the Receiver and Precision seek payment of amounts representing the same services allegedly rendered.

55. Plaintiffs dispute the Precision Services, the Precision Demand, and the validity of the Precision Lien. Upon information and belief, the Precision Demand includes amounts from invoices for work on the Charlson System for which (a) the Plaintiffs already paid WCE or (b) WCE already paid Precision.

(iv) The North Central Demand

56. North Central asserts that it was hired by WCE and performed and furnished labor, materials, and services used or employed in the construction of the Charlson System, or in the constructing, putting together, or repairing of any material used or employed on behalf of Paradigm Energy (the “**North Central Services**”).

57. North Central asserts that the North Central Services total \$133,921.29 (the “**North Central Demand**”) and that WCE never paid for the alleged services rendered by North Central.

58. On or about July 1, 2015, North Central filed a pipeline construction lien pursuant to N.D.C.C. § 35-24 with the Register of Deeds in McKenzie County, North Dakota, claiming that Paradigm is obligated to pay the North Central Demand (the “**North Central Lien**”).

59. Upon information and belief, the North Central Services are included in the Receiver’s Demand. Therefore, the Receiver and North Central seek payment of amounts representing the same services allegedly rendered.

60. Plaintiffs dispute the North Central Services, the North Central Demand, and the validity of the North Central Lien. Upon information and belief, the North Central Demand includes amounts from invoices for work on the Charlson System for which (a) the Plaintiffs already paid WCE or (b) WCE already paid North Central.

(v) The Excel Demand

61. Excel asserts that it was hired by WCE and performed and furnished labor, materials, and services used or employed in the construction of the Charlson System, or in the constructing, putting together, or repairing of any material used or employed on behalf of Paradigm Energy (the “**Excel Services**”).

62. Excel asserts that the Excel Services total \$47,208.00 (the “**Excel Demand**”), and that WCE never paid for the alleged services rendered by Excel.

63. Excel asserts that Plaintiffs now owe it for the alleged services rendered by Excel on the Charlson System.

64. On or about July 16, 2015, Excel filed a pipeline construction lien pursuant to N.D.C.C. § 35-24 with the Register of Deeds in McKenzie County, North Dakota, claiming that Paradigm Energy is obligated to pay the Excel Demand (the “**Excel Lien**”).

65. Upon information and belief, the Excel Services are included in the Receiver’s Demand. Therefore, the Receiver and Excel seek payment of amounts representing the same services allegedly rendered.

66. Plaintiffs dispute the Excel Services, the Excel Demand, and the validity of the Excel Lien. Upon information and belief, the Excel Demand includes amounts from invoices for work on the Carlson System for which (a) the Plaintiffs already paid WCE or (b) WCE already paid Excel.

(vi) The RDO Demand

67. RDO asserts that it was hired by WCE and performed and furnished labor, materials, and services used or employed in construction on behalf of Paradigm Energy, or in the constructing, putting together, or repairing of any material used or employed on behalf of Paradigm Energy (the “**RDO Services**”).

68. RDO asserts that the RDO Services total \$65,177.37 (the “**RDO Demand**”), and that WCE never paid for the alleged services rendered by RDO.

69. RDO asserts that Plaintiffs now owe it for the alleged services rendered by RDO on behalf of Paradigm Energy.

70. On or about July 15, 2015, RDO filed a pipeline construction lien pursuant to N.D.C.C. § 35-24 with the Register of Deeds in McKenzie County, North Dakota, claiming that Paradigm Energy is obligated to pay the RDO Demand (the “**RDO Lien**”).

71. Upon information and belief, the RDO Services are included in the Receiver's Demand. Therefore, the Receiver and RDO seek payment of amounts representing the same services allegedly rendered.

72. Plaintiffs dispute the RDO Services, the RDO Demand, and the validity of the RDO Lien. Upon information and belief, the RDO Demand includes amounts from invoices for work for which (a) the Plaintiffs already paid WCE or (b) WCE already paid RDO.

(vii) The West States Demand

73. West States asserts that it was hired by WCE and performed and furnished labor, materials, and services used or employed in the construction of the Charlson System, or in the constructing, putting together, or repairing of any material used or employed on behalf of the Plaintiffs (the "**West States Services**").

74. West States asserts that the West States Services total \$17,615.00 (the "**PSI Demand**"), and that WCE never paid it for the alleged services rendered by West States.

75. West States asserts that Plaintiffs now owe it for the alleged services rendered by West States on the Charlson System.

76. West States has demanded that Plaintiffs pay West States the West States Demand.

77. West States has threatened to file a pipeline construction lien pursuant to N.D.C.C. § 35-24 with the Register of Deeds in McKenzie County, North Dakota, claiming that the Plaintiffs are obligated to pay the West States Demand.

78. Upon information and belief, the West States Services are included in the Receiver's Demand. Therefore, the Receiver and West States seek payment of amounts representing the same services allegedly rendered.

79. Upon information and belief, the West States Demand includes amounts from invoices for work on the Charlson System for which (a) the Plaintiffs already paid WCE or (b) WCE already paid West States.

80. The Plaintiffs dispute the West States Services, the West States Demand, and the validity of any lien filed by West States claiming that the Plaintiffs are obligated to pay the West States Demand.

(viii) Unknown Subcontractors

81. Upon information and belief, there may exist other, unknown subcontractors to WCE that may have provided services to WCE relating to the Charlson System (the "**Unknown Subcontractors**").

82. The Unknown Subcontractors may not have been paid by WCE for services rendered relating to the Charlson System.

83. The Unknown Subcontractors may assert demands against the Plaintiffs for alleged services rendered relating to the Charlson System (the "**Unknown Subcontractors' Demand**").¹

84. The Unknown Subcontractors may threaten to file a statutory lien on the Charlson System pursuant to N.D.C.C. § 35-24, or may have already filed such a lien, in an effort to recover the Unknown Subcontractors' Demand.

¹ The Receiver Demand, the PSI Demand, the Precision Demand, the North Central Demand, the Excel Demand, the RDO Demand, the West States Demand, and the Unknown Subcontractors' Demands are collectively referred to herein as the "**Defendants' Demands**."

85. The Plaintiffs dispute the Unknown Subcontractors' Services, if any, the Unknown Subcontractors' Demand, if any, and/or the validity of any liens filed by the Unknown Subcontractors.

C. The Plaintiffs' Position

(i) The Receiver

86. The Plaintiffs dispute the Receiver Demand: (a) to the extent the Receiver Demand represents amounts allegedly owed for services not rendered by WCE or by WCE's subcontractors, (b) to the extent the Receiver Demand represents amounts allegedly owed for services for which WCE already paid WCE's subcontractors, and (c) to the extent the Receiver Demand represents amounts the Plaintiffs paid to replacement or substitute contractors after the WCE Default to perform the work that WCE was no longer capable of performing after releasing its employees.

(ii) PSI, Precision, North Central, Excel, RDO, & Unknown Subcontractors

87. If valid, which is disputed at this time, the demands made by the non-Receiver Defendants may or may not have been paid by WCE. In addition, such demands may represent amounts (a) already paid to WCE or (b) included in the Receiver's Demand.

88. As a result, to the extent the Plaintiffs agree to amounts due and owing to such non-Receiver Defendants or the Receiver after a full investigation, the Plaintiffs request that the Court allow the Plaintiff to pay such amounts into this Court's registry and adjudge that no person, including the Defendants, is entitled to recover from the Plaintiffs for any demand made or that could have been made by the Defendants. To the extent the Court determines the Plaintiffs owe any Defendant for work performed on the

Charlson System, the Plaintiffs request that such Defendants be required to interplead and settle between themselves their rights to the money due pursuant to N.D.C.C., Ch. 32-11 and/or N.D.R. Civ. P. 22. The Plaintiffs request that they not be held liable for the payment of alleged services that have already been paid to WCE.

89. In addition, because the Plaintiffs may have already paid WCE for services allegedly provided by the non-Receiver Defendants or any other party alleged to have been hired by WCE and to have performed work on the Charlson System without knowledge of such persons and their work, including the Unknown Subcontractors' Services, the Plaintiffs' liability to such persons and for such work is limited.

90. North Dakota's statutes governing well pipeline construction liens, N.D.C.C. § 35-24-01 *et seq.*, limit the liability of an owner to a subcontractor where the owner has paid the general contractor for the subcontractor's work before learning that the general contractor was not paying its subcontractors. *See* N.D.C.C. § 35-24-07.

91. Pursuant to the foregoing, the Plaintiffs seek declaratory judgment quieting title to the Charlson System and declaring that the liens filed against the Charlson System by WCF's subcontractors are void and unenforceable.

IV. COUNT I Breach of Contract

92. The Plaintiffs reallege and incorporate by reference the preceding paragraphs of the Complaint.

93. The MSA constitutes a valid, enforceable contract between Paradigm Midstream and WCE.

94. Paradigm Midstream performed its obligations under the MSA and the Statements of Work.

95. WCE breached the MSA contract by, among other things, failing to perform its obligations regarding the Schedule of Work, failing to respond to the Written Demand, and rendering Defective Work.

96. WCE's breach of the MSA caused Paradigm Midstream injury.

97. Based on the foregoing allegations, Paradigm Midstream is entitled to a judgment awarding Paradigm Midstream damages for WCE's breach of the MSA contract.

98. As a result of the WCE Default, Paradigm Midstream was forced to procure services to complete work elsewhere. Additionally, Paradigm Midstream was forced to procure services to correct the Defective Work. Under the MSA, and pursuant to North Dakota common law, Paradigm Midstream is entitled to a judgment awarding Paradigm Midstream damages suffered because of the WCE Default.

**V. COUNT II
Declaratory Judgment (Amount Owed)**

99. The Plaintiffs reallege and incorporate by reference the preceding paragraphs of the Complaint.

100. A controversy exists between the Plaintiffs and the Defendants as to whether any amounts are owed by the Plaintiffs.

101. The Plaintiffs are entitled to a judgment pursuant to N.D.C.C. ch. 32-23 *et seq.*, declaring that the Plaintiffs do not owe amounts to the Defendants; or, in the alternative, declaring what amounts, if any, the Plaintiffs owe to the Defendants.

VI. COUNT III
Complaint for Interpleader

102. The Plaintiffs reallege and incorporate by reference the preceding paragraphs of the Complaint.

103. "Interpleader, whether pursuant to statute or rule, is a device for resolving multiple adverse claims to a fund or liability in one proceeding. It originated as a device by which a defendant² could protect himself from double vexation upon a single liability." *Kiker v. Walters*, 482 N.W.2d 626, 628 (N.D. 1992). Interpleader is proper when brought by a plaintiff when persons with claims may expose a plaintiff to double or multiple liability, and the defendants joined in the action may be required to interplead. *See id.*, N.D.C.C., Ch. 32-11, N.D.R. Civ. P. 22.

104. Interpleader is proper in this action because the Defendants have asserted claims against the Plaintiffs for amounts representing the same underlying work.

105. Upon information and belief, a portion of the Receiver Demand includes amounts possibly representing the PSI Services, the Precision Services, the North Central Services, the Excel Services, the RDO Services, and/or the Unknown Contractors' Services. The Defendants are therefore adversely situated against the same funds.

106. Under North Dakota statutory and procedural law, it is unlawful for the Plaintiffs to be subjected to double liability (or more) for the same claim. Therefore, the Plaintiffs respectfully request that the Court (a) determine the amount, if any, for which the Plaintiffs are liable under the Defendants' Demands; (b) determine which party, if any, is entitled to the Defendants' Demands; (c) authorize the Plaintiffs to deposit such

² Interpleader is also used to protect a plaintiff. *See* N.D.C.C., Ch. 32-11 and N.D.R. Civ. P. 22.

amount into the depository of the Court to be held in trust for the party or parties entitled to the funds; and (d) after such deposit by the Plaintiffs into the depository of the Court, order and declare that any claims to a lien against the Charlson System for the WCE Services, the PSI Services, the Precision Services, the North Central Services, the Excel Services, the RDO Services, the West States Services, and/or the Unknown Contractors' Services are null and void.

VII. COUNT IV
Action to Quiet Title and Determine Claims to Real Property

107. The Plaintiffs reallege and incorporate by reference the preceding paragraphs of the Complaint.

108. The Plaintiffs paid WCE and/or the Receiver for the PSI Services, the Precision Services, the North Central Services, the Excel Services, the RDO Services, and the Unknown Subcontractors' Services at a time when the Plaintiffs did not know WCE was not paying such parties.

109. Accordingly, the Plaintiffs owe nothing to PSI, Precision, North Central, Excel, RDO, and/or any Unknown Subcontractors.

110. The Receiver, PSI, Precision, North Central, Excel, RDO, and/or any Unknown Subcontractors have claimed, or may claim, purported liens on the Charlson System, adverse to the Plaintiffs. To the extent any liens, whether pipeline construction liens or other, of the Receiver, PSI, Precision, North Central, Excel, RDO, West States, and/or any Unknown Subcontractors attach to the Charlson System, the Plaintiffs seek declaratory judgment quieting title as to all such lien claims.

111. Accordingly, the Plaintiffs request that all Defendants be required to set forth all their adverse claims to the Charlson System, and that the validity, superiority, and priority thereof be determined.

112. Additionally, the Plaintiffs request that the same be adjudged null and void, and that they be decreed to have no estate or interest in, or lien or encumbrance upon, the Charlson System.

113. Additionally, the Plaintiffs request that title to the Charlson System be quieted as to all such claims, and that all Defendants be forever debarred and enjoined from further asserting the same.

VIII. COUNT V
Action to Abate Proceedings

114. The Plaintiffs reallege and incorporate by reference the preceding paragraphs of the Complaint.

115. Upon information and belief, there may exist other, Unknown Subcontractors to WCE that may have provided services to WCE relating to the Charlson System.

116. The Unknown Subcontractors may not have been paid by WCE for services rendered relating to the Charlson System.

117. The Unknown Subcontractors may assert demands against the Plaintiffs for alleged services rendered relating to the Charlson System.

118. The Unknown Subcontractors may threaten to file a statutory lien on the Charlson System pursuant to N.D.C.C. § 35-24, or may have already filed such a lien, in an effort to recover the Unknown Subcontractors' Demand.

119. A statement of lien must be filed within six months after the date on which a claimant's labor was last performed, or material or services were last furnished. *See* N.D.C.C. § 35-24-11. The last day work was performed, or material or services were last furnished regarding the Charlson System was May 20, 2015. Therefore, the last day on which an Unknown Subcontractor may file a lien on the Charlson System is November 20, 2015 (the "**Limitations Date**").

120. Because other, Unknown Subcontractors could emerge as potential defendants in this action and further complicate the resolution of the foregoing, the Plaintiffs request an Order of this Court abating all proceedings until the passage of the Limitations Date, after all Unknown Creditors are identified and may be named as defendants to this action. The Plaintiffs believe such abatement would be the most efficient and effective manner by which to resolve this action.

IX. COUNT VI Reservation of Rights

121. During this action, the Plaintiffs may learn through discovery or otherwise of additional Unknown Contractors of WCE that were unknown to the Plaintiffs as of the date of this Complaint.

122. The Plaintiffs seek to resolve all potential claims of the Defendants and/or the Unknown Subcontractors arising from the facts and transactions alleged in this Complaint. Accordingly, the Plaintiffs reserve their right to supplement and amend this Complaint, including, without limitation, the right to (a) further state/allege/aver information regarding the MSA, the WCE Default, any liens filed against the Charlson System, and/or any other pertinent facts the Plaintiffs may learn; (b) seek to quiet all liens

filed against the Charlson System; (c) modify or revise the Defendants; (d) allege additional defendants; (e) allege additional causes of action that may become known to the Plaintiffs at any time during this lawsuit through discovery or otherwise, and for all such amendments to this Complaint to relate back to this original Complaint.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiffs respectfully pray for judgment:

- A. awarding the Plaintiffs damages for the causes of action alleged herein, including, without limitation:
 - (i) pre-judgment interest at the maximum legal rate running from the time the cause of action occurred until the date of judgment herein;
 - (ii) post-judgment interest at the maximum legal rate running from the date of judgment herein until the date the judgment is paid in full; and
 - (iii) attorney's fees and costs incurred by the Plaintiffs in this suit;

- B. determining that interpleader is proper in this dispute as between the Defendants pursuant to N.D.C.C. Ch. 32-11 and N.D.R. Civ. P. 22, and in accordance with such determination:
 - (i) direct and order that the Plaintiffs shall not be required to pay twice or more for any of the services rendered on the Project;
 - (ii) determine what amount, if any, the Plaintiffs are liable for the services rendered on the Project;
 - (iii) if the Court determines that the Plaintiffs are liable for the services rendered on the Project, direct the Plaintiffs to pay into the depository of the Court the amount the Court deems proper;
 - (iv) determine what party, if any, is entitled to the funds deposited with the Court; and

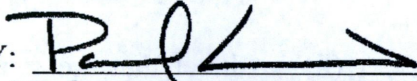
- (v) direct and order that the Plaintiffs are discharged of all liabilities to the Defendants after such deposit;
- C. directing and ordering that that title to the Charlson System be quieted, and in accordance with such order:
- (i) direct all Defendants to set forth all their adverse claims to the Charlson System, and that the validity, superiority, and priority thereof be determined;
 - (ii) direct that the same be adjudged null and void, and that they be decreed to have no interest in, or lien or encumbrance upon, the Charlson System;
 - (iii) direct that title to the Charlson System be quieted as to any claim, and that Defendants be forever debarred and enjoined from further asserting the same; and
- D. directing and ordering that all proceedings in this case be abated until the passage of the Limitations Date, in order to identify all parties that may be required to be joined in this action, and for the efficient and effective resolution of this action;

[Signature Page Follows]

Dated: October 13, 2015

Respectfully Submitted,

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