



COURT FILE NUMBER 2001 06423

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE **CALGARY**

APPLICANT(S) IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, C. c-36, AS AMENDED

AND IN THE MATTER OF THE COMPROMISE OF ARRANGEMENT OF ENTREC CORPORATION, CAPSTAN HAULING LTD., ENTREC ALBERTA LTD., ENT CAPITAL CORP., ENTREC CRANES & HEAVY HAULING INC., ENTREC HOLDINGS INC., ENT OILFIELD GROUP LTD., and ENTREC SERVICES LTD.

DOCUMENT **APPLICATION – STAY EXTENSION**



\$50.00
Justice Neufeld
COM
Aug 23, 2021

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF
Norton Rose Fulbright Canada LLP
#3700, 400 Third Avenue SW
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PARTY FILING THIS DOCUMENT
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File No: 1001122095

NOTICE TO THE RESPONDENT(S)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: August 23, 2021
Time: 2:00 PM
Where: CALGARY (via Webex)
Before: The Honourable Mr. Justice R.A. Neufeld

Go to the end of this document to see what you can do and when you must do it.

Remedy sought:

1. This Application is brought by Alvarez & Marsal, Inc. (**A&M**, or the **Monitor**) in its capacity as the Court-appointed Monitor of the applicants, ENTREC Corporation, Capstan Hauling Ltd, ENT Capital Corp., ENT Oilfield Group Ltd., ENTREC Services Ltd., ENTREC Holdings Inc., and ENTREC Cranes & Heavy Haul Inc., (collectively, the **Applicants** or **ENTREC**). The Monitor, on behalf of the Applicants, seeks an order pursuant to the *Companies' Creditors Act*, RSC 1985, c C-36, as Amended (the **CCAA**), in substantially the form attached hereto as **Schedule A**, among other things,
 - a) extending the Stay Period (as defined below) to April 30, 2022, or such other date as this Court deems just;
 - b) approving the conduct and activities set out in the Ninth Report of the Monitor, filed herewith (the **Ninth Report**); and
 - c) granting such further and other relief as this Honourable Court deems just in the circumstances.

Grounds for making this Application

2. On May 15, 2020, the Applicants were granted an initial order under the CCAA by the Honourable Madam Justice B.E. Romaine (as amended and restated from time to time in this proceeding, the **ARIO**), which among other things appointed A&M as Monitor, and granted a stay of proceedings in respect of the assets, property and undertaking of ENTREC (the **Stay**) for an initial period.
3. On November 24, 2020, the Monitor was granted enhanced powers in respect of ENTREC (the **Enhanced Powers Order**). Among other things, the Enhanced Powers Order authorizes the Monitor to conduct, supervise, or direct the continuation or commencement of any legal process on behalf of ENTREC, and to settle, extend or compromise any indebtedness owing to or by ENTREC.
4. The Stay, as extended by subsequent order of this Court, is currently set to expire on the earlier of August 25, 2021, or the CCAA Termination Date, as defined in the CCAA Termination Order dated November 24, 2020 (the **CCAA Termination Order**).
5. Substantially all of the assets of ENTREC have now been sold. The Monitor continues to perform its duties pursuant to the Enhanced Powers Order, and to work toward winding up the affairs of ENTREC and concluding this CCAA Proceeding, as set out further in the Ninth Report.
6. Since the Enhanced Powers Order was granted, the Monitor has been working, on behalf of ENTREC and in accordance with the Enhanced Powers Order, toward a winding up of ENTREC

and its affairs. Among other things, the Monitor has been working diligently and in good faith during the Stay Period including by:

- a) monitoring cash flow and other operational matters;
 - b) attending to various legal matters in respect of the Wolverine Litigation, as subsequently defined, and the collection of receivables;
 - c) preparing monthly reports to and attending monthly meetings with the Agent and its advisors;
 - d) preparing the Seventh Cash Flow Forecast;
 - e) collecting sale and other proceeds and distributing same to the Agent;
 - f) assisting with various wind-down activities including attending to compliance matters with tax and other regulatory bodies in Canada and the U.S. and storage of the Applicants' books and records;
 - g) approving and preparing disbursements,
 - h) communicating with various trade creditors and other stakeholders;
 - i) posting non-confidential materials filed with this Court to the Monitor's Website; and
 - j) preparing the Ninth Report.
7. In addition, and among other things, the Monitor is working with its U.S. Counsel to conclude ongoing litigation between Wolverine Energy & Infrastructure Inc. and ENTREC in the Southern District Court of Texas (the **Wolverine Litigation**), and to resolve various issues with ENTREC's outstanding receivable accounts. The Monitor is hopeful that the Wolverine Litigation can be finally resolved in the relatively near future.
8. The Monitor is continuing to attend to various matters on behalf of ENTREC in accordance with the Enhanced Powers Order, including collections and (in certain cases) litigation, managing disbursements and the Reserve funds, and attending to remaining matters such as reconciling and applying for the return of deposits and holdbacks, filing of GST returns on behalf of ENTREC and managing payroll-related obligations, as well as storage of ENTREC's physical and digital books and records and resolving certain outstanding letters of credit.
9. Previously, the Monitor had obligations to report to the Agent on behalf of the Syndicate of First Lien lenders to ENTREC pursuant to a Restructuring Support Agreement between the Agent and Entrec (as amended from time to time, the **RSA**). As noted in the Ninth Report, the RSA has now expired and the parties have agreed that it need not be renewed but that the Monitor will continue

to report to the Agent from time to time as the Agent may reasonably require, until the affairs and administration of ENTREC are finally concluded.

10. The Monitor is seeking an extension of the Stay Period to April 30, 2022 (the **Stay Extension Period**). It is appropriate to grant the Stay Extension Period, in order to among other things, give the Monitor an opportunity to resolve the Wolverine Litigation and conclude the administration of ENTREC's affairs before seeking its discharge.
11. ENTREC will have sufficient funds to pay for any ongoing operations, and the costs of this proceeding, during the Stay Extension Period.
12. The Monitor is authorized to bring this application on behalf of ENTREC pursuant to the Enhanced Powers Order.

Affidavit of other evidence to be used in support of this application:

13. The pleadings, affidavits, and other materials filed on the Court file, including the Ninth Report.
14. Such further and other material or evidence as counsel to the Monitor may advise, and as this Honourable Court may permit.

Applicable Acts and regulations:

15. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, and such further and other Acts and regulations as counsel to the Applicant may advise.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

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JUDICIAL CENTRE CALGARY
APPLICANTS IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, RSC
1985, C. c-36, AS AMENDED

Clerk's Stamp

AND IN THE MATTER OF THE
COMPROMISE OF ARRANGEMENT OF
ENTREC CORPORATION, CAPSTAN
HAULING LTD., ENTREC ALBERTA LTD.,
ENT CAPITAL CORP., ENTREC CRANES &
HEAVY HAULING INC., ENTREC
HOLDINGS INC., ENT OILFIELD GROUP
LTD., and ENTREC SERVICES LTD.

DOCUMENT **ORDER**

(Extension of Stay Period)

ADDRESS FOR SERVICE AND
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DOCUMENT

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File No: 1001122095

DATE ON WHICH ORDER WAS PRONOUNCED: August 23, 2021

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Mr. Justice R.A. Neufeld

LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION by Alvarez & Marsal Inc. (**A&M**, or the **Monitor**) in its capacity as the Court-appointed Monitor of the applicants, ENTREC Corporation, Capstan Hauling Ltd, ENT Capital Corp., ENT Oilfield Group Ltd., Entrec Services Ltd., Entrec Holdings Inc., and ENTREC Cranes & Heavy Haul Inc., (collectively, the **Applicants** or **ENTREC**).

AND UPON HAVING READ the Initial Order of this Court dated May 15, 2020; the Amended and Restated Initial Order of this Court dated May 25, 2020 (the **ARIO**), the CCAA Termination Order of this

Court dated November 24, 2020 (the **CCAA Termination Order**); and the Ninth Report of the Monitor (the **Ninth Report**);

AND UPON HEARING the submission of counsel for the Applicants, and any other parties that may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. Service of notice of this application and supporting materials is hereby declared good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

Extension of Stay of Proceedings

2. The Stay Period (as defined in the ARIO), is extended to and including the earlier of (1) the CCAA Termination Date, as defined in the CCAA Termination Order, or (ii) April 30, 2022.

Approval of Monitor's Activities

3. The conduct and activities of the Monitor, as set out in the Ninth Report, are hereby approved and ratified.

J.C.Q.B.A.