



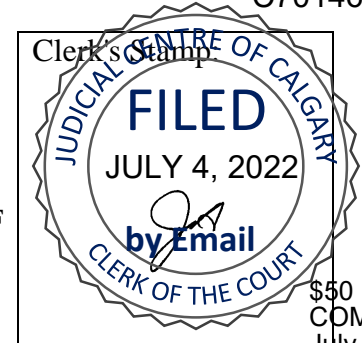
C70146

ESTATE NUMBER B201 802560
25-2802560

COURT COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, RSC 1985, C B-3, AS AMENDED



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COM
July 13, 2022
Justice Jeffrey

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF VERTEX DOWNHOLE LTD.

DOCUMENT **APPLICATION**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTIES FILING
THIS DOCUMENT

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File No. 74909-14

NOTICE TO RESPONDENT(S)

This application is made against you. You are Respondents.

You have the right to state your side of this matter before the Master/Judge.

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

Date:	July 13, 2022
Time:	2:00 pm
Where:	Calgary Courts Centre via Webex
Before Whom:	The Honourable Justice P.R. Jeffrey on the Commercial List

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

Remedy Claimed or Sought:

1. The Applicant, Vertex Downhole Ltd. ("**Vertex**" or the "**Applicant**") respectfully seeks an Order substantially in the form attached hereto as **Schedule "A"** (the "**Extension Order**"):
 - (a) if necessary, abridging the time for service of this Application and the supporting materials and deeming service thereof to be good and sufficient;
 - (b) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (the "**BIA**"), extending the period of time within which Vertex is required to file a proposal to its creditors (the "**Proposal Period**") by 45 days up to and including August 4, 2022 (the "**Fourth Stay Extension**"); and
 - (c) such further and other relief as may be sought by Vertex and this Honourable Court may deem appropriate.

Grounds for Making this Application:

2. On February 4, 2022, Vertex commenced the within proceedings (the "**NOI Proceedings**") by filing a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to section 50.4(1) of the *BIA* with the Office of the Superintendent of Bankruptcy.
3. Vertex is a Canadian Controlled Private Corporation, incorporated pursuant to the laws of the Province of Alberta with its registered office located in Calgary, Alberta. Vertex is widely held by seventy-five different shareholders, made up of institutional investors, individuals, family trusts, current and former employees. The largest single shareholder owns 11% of the issued and outstanding shares.

4. In turn, Vertex is the sole shareholder of:
 - (a) HPC Energy Services Holdings (USA) Inc., a Delaware corporation; which is the sole shareholder of:
 - (b) HPC Energy Services Subsidiary (USA) Inc., a Delaware corporation; which is the sole shareholder of
 - (c) Vertex Downhole Inc; a Delaware corporation,

(collectively, the "**Vertex Group**").
5. The Vertex Group is comprised of integrated oil and gas service companies with a product base uniquely designed to support downhole drilling.
6. HSBC Bank of Canada ("**HSBC**") is Vertex's senior-secured creditor.
7. MNP Ltd. is the proposal trustee of Vertex (in such capacity, the "**Proposal Trustee**").

Sales Process Update & Extension of the Proposal Period

8. Vertex requires the Fourth Stay Extension to continue the restructuring of its business and affairs, to work towards making a viable proposal to its creditors, and in order to continue assisting the Proposal Trustee with implementing, and finalizing, the sales and investment solicitation process approved by this Court (the "**SISP**").
9. The SISP commenced on or about March 7, 2022. On approximately May 6, 2022, Vertex was advised by the Proposal Trustee that there was an Insider Bidder within the meaning of the SISP. Accordingly, Vertex's access to and participation in the SISP is limited as is contemplated in the SISP.
10. On June 29, 2022, following the expiry of the Phase 2 Bid Deadline, the Proposal Trustee informed Vertex of the Qualified Phase 2 Bids that had been submitted in accordance with the SISP (as amended). Vertex is now in the process of, among other things:
 - (a) reviewing and considering the Qualified Phase 2 Bids;

- (b) reviewing and considering the forms of Definitive Agreements submitted in connection with such Qualified Phase 2 Bids;
- (c) seeking further information from the Proposal Trustee with respect to the SISP procedures generally and the Bids and Bidders thereunder; and
- (d) consulting with the Proposal Trustee to select the superior Qualified Phase 2 Bid as the Successful Bid,

all with a view to determining whether or not Vertex will enter into a Definitive Agreement with a Qualified Bidder to be approved by this Court.

- 11. The Phase I Bid Deadline for Potential Bidders to submit letters of intent in order to become Qualified Bidders (each as defined in the SISP) was May 6, 2022.
- 12. The Fourth Stay Extension is appropriate for, among others, the following reasons:
 - (a) Vertex has acted, and continues to act in good faith and with due diligence;
 - (b) Vertex will likely be able to make a viable proposal if the Fourth Stay Extension is granted; and
 - (c) no creditor will be materially prejudiced by the requested Fourth Stay Extension.
- 13. The Proposal Trustee and HSBC support the Fourth Stay Extension.
- 14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material of Evidence to be Relied On:

- 15. Affidavit No.4 of Craig Flint, sworn June 30, 2022.
- 16. Brief of Vertex, to be filed.

17. Report of Proposal Trustee, to be filed.
18. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations

19. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended; and
20. Such further and other Acts and Regulations as counsel may advise and that this Honourable Court may permit.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

Extension Order

ESTATE NUMBER 25-2802560

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, C B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF VERTEX DOWNHOLE LTD.

DOCUMENT **Order (Extension of Time to File Proposal)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTIES FILING THIS DOCUMENT

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Email: dlegeyt@bdplaw.com / ralgar@bdplaw.com
File No. 74909-14

DATE ON WHICH ORDER WAS PRONOUNCED: July 13, 2022

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary

JUSTICE WHO MADE THIS ORDER: The Honourable Justice P.R. Jeffrey

UPON THE APPLICATION of Vertex Downhole Ltd. ("**Vertex**" or the "**Applicant**"); **AND UPON** reading Affidavit No. 4 of Craig Flint sworn June 30, 2022 ("**Flint Affidavit No.4**"); **AND UPON** reading the Affidavit of Service of Anne-Marie Gillis-Tapp sworn July [REDACTED], 2022; **AND UPON** reading the Fourth Report of the Proposal Trustee (Third Report of MNP Ltd. As Proposal Trustee) (the "**Fourth Report**") of MNP Ltd. in its capacity as

Clerk's Stamp:

the proposal trustee of Vertex (in such capacity, the "**Proposal Trustee**") dated July , 2022;
AND UPON hearing submissions by counsel for Vertex and any other counsel or other interested parties present;

IT IS HEREBY ORDERED THAT:

SERVICE

1. The time for service of the notice of application (the "**Application**") for this order (the "**Order**") is hereby abridged and deemed good and sufficient and the Application is properly returnable today, and no other than those persons served is entitled to service of the notice of Application.

INTERPRETATION

2. Capitalized terms not otherwise defined in this Order shall have the meaning set forth in the Application, Flint Affidavit No. 4, or the Second Report.

EXTENSION OF TIME TO FILE A PROPOSAL

3. The time within which Vertex is required to file a proposal to its creditors with the Official Receiver under section 50.4 of the *Bankruptcy and Insolvency Act* (the "**BIA**") is hereby extended up to and including August 4, 2022.
4. Service of this Order shall be deemed to be achieved by posting a copy of this Order on the Proposal Trustee's website created and maintained for the within proceeding and by delivering a copy of this Order to those parties listed on the Service List prepared by counsel to Vertex.

J.C.Q.B.A