

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA**

In Re: Bankruptcy No. 22-30100
Chapter 15

Balanced Energy Oilfield Services, Inc.,

Debtor.

In Re:

Bankruptcy No. 22-30101
Chapter 15

Balanced Energy Holdings, Inc.,

Debtor.

In Re:

Bankruptcy No. 22-30102
Chapter 15

Balanced Energy Oilfield Services (USA) Inc.,

Debtor.

**ORDER GRANTING IN PART THE RECEIVER'S APPLICATION FOR
PROVISIONAL RELIEF PURSUANT TO 11 U.S.C. § 1519**

The Court of Queen's Bench of Alberta entered a Receivership Order on March 7, 2022, appointing FTI Consulting Canada Inc. ("Receiver") as receiver, manager and authorized foreign representative of Balanced Energy Oilfield Services Inc., Balanced Energy Holdings, Inc. and Balanced Energy Oilfield Services (USA) Inc. (collectively, "Debtors").

Upon consideration of the Receiver's Emergency Application for Relief Pursuant to Sections 105(a) and 1519 of the Bankruptcy Code (Doc. #5), evidence offered in support of the Emergency Application and the statements of counsel at a hearing on April 22, 2022, the Court finds and concludes as follows:

- a. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and 11 U.S.C. §§ 109 and 1501;
- b. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P);
- c. Venue is proper in this district pursuant to 28 U.S.C. § 1410;
- d. This Chapter 15 case has been properly commenced by a duly appointed foreign representative;
- e. On April 15, 2022, this Court entered an Order Granting Receiver's Request in Part for Provisional Relief Pursuant to 11 U.S.C. § 1519;
- f. The Court has the authority to grant the provisional relief requested by the Emergency Application pursuant to 11 U.S.C. §§ 105(a) and 1519;
- g. The provisional relief is urgently needed to protect the assets of Debtors and the interests of the creditors as required by 11 U.S.C. § 1519(a) and (e);
- h. The interests of Debtors, creditors and other interested entities are sufficiently protected in the Court's grant of the provisional relief, as required by 11 U.S.C. § 1522(a);
- i. The Receiver argued and offered declarations showing a substantial likelihood that the pending proceeding in Canada is entitled to recognition as a foreign main proceeding, and that the provisional relief will be granted on a final basis upon such recognition as a foreign main proceeding;
- j. In the absence of the relief granted in this Order, there is a material risk that Debtors or their creditors will suffer irreparable harm for which Debtors will have no adequate remedy at law. Pending the Chapter 15 recognition hearing, the provisional relief is required to ensure the fair, efficient and

- centralized administration of Debtors' assets and to prevent individual creditors and other persons and entities from depleting or impairing the assets of Debtors to the detriment of the creditor body as a whole;
- k. Granting the Emergency Application, in part, will preserve the status quo and not result in significant harm to non-moving parties. Any harm that could conceivably result to non-moving parties is less than the irreparable harm that would result to Debtors and their creditors if relief is not granted; and
- l. Granting provisional relief is consistent with the purposes of Chapter 15 under 11 U.S.C. § 1501.

IT IS THEREFORE ORDERED:

1. The Emergency Application is GRANTED IN PART as detailed below. The relief requested in this Order is effective immediately and shall continue until the disposition of the Chapter 15 Petition for Recognition of Foreign Proceeding unless otherwise extended pursuant to sections 1519(b) and 1521 of the Bankruptcy Code.
2. A hearing to consider recognition and permanent relief requested by the Receiver in his Verified Petition is scheduled for May 19, 2022, at 10:00a.m. (Central Standard Time), at Quentin N. Burdick United States Courthouse, 655 1st Avenue North Fargo, ND, 58102 (the "Recognition Hearing"). Counsel for the Receiver shall serve this Order on parties in interest in this Chapter 15 proceeding and provide notice of the hearing.

3. This Order is without prejudice to any arguments for or against recognition of Debtors' Chapter 15 cases, and all rights of parties in interest to seek relief from this Order are reserved.
4. This Order is without prejudice to the right of the Receiver or Debtors to seek additional relief under applicable provisions of the Bankruptcy Code and without prejudice to the right of Debtors to seek any remedy or to pursue any relief.
5. The Receiver is recognized as, and shall be the representative of, Debtors with full authority to administer Debtors' assets and affairs in the United States and may exercise the rights and powers as specified in the Receivership Order except the Receiver may not remove assets from North Dakota pending disposition of the Verified Petition and the request for recognition of the Canadian proceeding as a foreign main proceeding.
6. Pending the disposition of the Verified Petition, and in accordance with 11 U.S.C. §§ 1519(a) and 1521(a), 11 U.S.C. § 362 is applicable to Debtors and their property within the territorial jurisdiction of the United States.
Accordingly, no person or entity may: (a) commence or continue any legal proceeding against Debtors, their assets located in the United States or their proceeds; (b) enforce any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order, or arbitration award against Debtors' assets; (c) commence or continue any legal proceeding or action to create, perfect, or enforce any lien, setoff or other claim against Debtors' assets or their proceeds located in the United States; (d) act to exercise control over,

- transfer or dispose of property of Debtors. For the purpose of clarity, the parties shall not be stayed from filing appropriate documents in the Rossco Crane Action (as defined in the Emergency Application) to comply with any settlement between Rossco Crane and Rigging, Inc. and the Receiver.
7. The administration, acquisition, and realization of all or part of the assets of Debtors within the territorial jurisdiction of the United States is entrusted to the Receiver, and the Receiver is established as the exclusive authority to administer Debtors' assets and affairs in the United States. Pursuant to the Receivership Order, any person(s) having assets of Debtors within their possession or control shall grant immediate and continued access of the assets to the Receiver, and shall deliver all such assets and property to the Receiver upon the Receiver's request, as required by the Receivership Order in the Canadian Proceeding, except that no person shall transfer assets out of the District of North Dakota pending disposition of the Verified Petition and the request for recognition of the Canadian Proceeding as a foreign main proceeding.
 8. The right of any person or entity, other than the Receiver, to transfer or otherwise dispose of any assets of Debtors is suspended unless authorized in writing by Order of this Court.
 9. As provisional relief in aid of the Receivership Order, the Receiver's Protections (as defined in the Emergency Application) are given full force and effect in the United States.

10. The Receiver is authorized and empowered, but not obligated to (a) maintain and continue to use, with the same account numbers, all of Debtors' existing bank accounts (the "Bank Accounts") at depository institutions in the United States (the "Banks"), if any; (b) treat the Bank Accounts for all purposes as debtor-in-possession accounts; (c) maintain and continue to use Debtors' existing business forms, stationery and checks, all without the appellation "debtor-in-possession"; and (d) preserve the reporting and accounting mechanisms used by Debtors.
11. The existing deposit agreements between Debtors and the Banks shall continue to govern the post-petition cash management relationship between Debtors and the Banks, and all of the provisions of the agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect. The Receiver and the Banks may, without further Order of this Court, agree to and implement changes to the cash management systems and procedures in the ordinary course of business, including the opening and closing of bank accounts.
12. The Receiver may undertake the examination of witnesses, the taking of evidence, the production of documents, or the delivery of information concerning the assets, affairs, rights, obligations or liabilities of Debtors.
13. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) this Order shall be effective immediately and enforceable upon entry; (b) FTI is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order; and (c) FTI is authorized and empowered, and

- may, in its discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Order.
14. The Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order.
15. The security provision provided in Rule 65(c) of the Federal Rules of Civil Procedure, made applicable through Rule 7065 of the Bankruptcy Rules, is unnecessary in this case and is therefore waived.
16. FTI shall provide notice by mail of this Order to: (a) the Office of the United States Trustee; (b) the United States Attorney's Office for the District of North Dakota; (c) all persons or bodies authorized to administer the Canadian Proceedings; (d) any other parties of which FTI becomes aware that are required to receive notice pursuant to Bankruptcy Rule 2002(q); and (e) all parties to litigation pending in the United States. FTI shall also provide notice of this Order by email to those parties whose email addresses are known to it.

Dated: April 22, 2022.

A handwritten signature in black ink that reads "Shon Hastings". The signature is written in a cursive, flowing style.

SHON HASTINGS, JUDGE
UNITED STATES BANKRUPTCY COURT