

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA

In re: Bankruptcy No. 22-30100
Chapter 15
Balanced Energy Oilfield
Services, Inc., et al.,
Debtors in a Foreign Proceeding. Jointly Administered

**ORDER GRANTING RECEIVER’S VERIFIED PETITION FOR
(I) RECOGNITION OF FOREIGN MAIN PROCEEDING, (II) RECOGNITION OF
FOREIGN REPRESENTATIVE AND (III) RELATED RELIEF UNDER
CHAPTER 15 OF THE BANKRUPTCY CODE**

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”).

The Receiver filed a Chapter 15 Petition for Recognition of Foreign Proceeding on April 14, 2022. Doc. 1. The Receiver provided proper notice of the filing of the Chapter 15 Petition and the recognition hearing, and no party objected. After considering the Chapter 15 Petition, the Statement of Foreign Representative, the Declarations of Foreign Counsel and the Receiver, exhibits received, statements of counsel at the recognition hearing, and all other pleadings and papers filed in this case,

THE COURT FINDS AND DETERMINES THAT:

A. The Court has jurisdiction to consider this matter under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper under 28 U.S.C. § 1410. The Court has authority to enter a final order in this proceeding.

B. Debtors are Balanced Energy Oilfield Services Inc., Balanced Energy Oilfield Services (USA) Inc., and Balanced Energy Holdings Inc.

C. On March 1, 2022, National Bank of Canada filed an affidavit seeking the appointment of FTI as a receiver under section 243(a) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c, B-3 in the Court of Queen's Bench of Alberta. The Canadian court entered a receivership order granting the request.

D. The Receiver is a "person" within the meaning of section 101(41) of the Bankruptcy Code and is the duly-appointed "foreign representative" of Debtors as defined in section 101(24) of the Bankruptcy Code.

E. The Canadian Proceeding is a "foreign proceeding" as defined in section 101(23) of the Bankruptcy Code.

F. This Chapter 15 case was properly commenced pursuant to sections 1504, 1509, and 1515 of the Bankruptcy Code.

G. The Receiver satisfied the requirements of section 1515 of the Bankruptcy Code and Rules 1007(a)(4), 1011(b), and 2002(q) of the Federal Rules of Bankruptcy Procedure.

H. The Canadian Proceeding is entitled to recognition by this Court pursuant to 11 U.S.C. § 1517.

I. Debtors' center of main interests is in Canada. Accordingly, the Canadian Proceeding is a "foreign main proceeding" as defined in section 1502(4) of the Bankruptcy Code and is entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code.

J. The Receiver is entitled to relief afforded under section 1520 of the Bankruptcy Code.

K. The Receiver, in its role as foreign representative of Debtors, and Debtors are entitled to the full protections and rights available under section 1521 of the Bankruptcy Code.

L. The relief granted is necessary and appropriate, in the interest of the public and international comity, consistent with United States public policy, warranted under Chapter 15 of the Bankruptcy Code, and will not cause any hardship to any party in interest that is not outweighed by the benefits of the requested relief to the Receiver, Debtors, their estates and all their creditors.

M. Permitting Debtors' current cash management system to continue under existing agreements between Debtors and their existing depository and disbursement banks will facilitate the continued operations of Debtors while the Canadian Proceeding and this proceeding are ongoing.

Based on the evidence and findings listed above and for the reasons stated on the record at the hearing, the Court finds cause for granting the relief the Receiver seeks. Therefore,

IT IS ORDERED:

1. The Petition is GRANTED. The Canadian Proceeding is recognized as a foreign main proceeding under section 1517 of the Bankruptcy Code with respect to Debtors.

2. The Receiver is granted all the relief afforded under section 1520 of the Bankruptcy Code, including:

- a. Sections 361 and 362 apply with respect to Debtors and the property of Debtors that is within the territorial jurisdiction of the United States;
- b. Sections 363, 549, and 552 apply to a transfer of an interest of Debtors in property that is within the territorial jurisdiction

of the United States to the same extent that the sections would apply to property of an estate;

- c. Unless the court orders otherwise, the Receiver, as foreign representative, may operate Debtors' business and may exercise the rights and powers of a trustee under and to the extent provided by sections 363 and 552; and
- d. Section 552 applies to property of Debtors that is within the territorial jurisdiction of the United States.

3. Pursuant to section 1524 of the Bankruptcy Code, the Receiver may intervene in any proceeding in a State or Federal court in the United States in which Debtors are a party.

4. Pursuant to section 1523(a) of the Bankruptcy Code, the Receiver has standing in a case concerning Debtors pending under another chapter of this title to initiate actions under sections 522, 544, 545, 547, 548, 550, 553 and 724(a) of the Bankruptcy Code.

5. The following additional relief is granted pursuant to section 1521 of the Bankruptcy Code:

- a. The administration or 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 authorized to implement the Receivership Order;
- b. The right of any person or entity, other than the Receiver, to transfer or otherwise dispose of any assets of the Debtors to the extent not suspended under section 1520(a) of the Bankruptcy Code is suspended unless authorized in writing by the Receiver or by Order of this Court;
- c. 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; and
- d. Notwithstanding Rule 7062 of the Bankruptcy Rules, made applicable to this case by Rule 1018 of the Bankruptcy Rules, the terms and conditions of this Order shall be

immediately effective and enforceable upon its entry and, upon its entry, shall become final and appealable.

6. All prior relief granted in the Order Granting in Part Receiver's Emergency Application for Provisional Relief Pursuant to 11 U.S.C. § 1519 [Doc. 34] is extended on a final basis, to the extent not inconsistent with the relief granted under this Order.

7. This Court shall retain exclusive jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief or any adversary proceeding brought in and through this Chapter 15 proceeding, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

8. 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 these cases and is, therefore, waived.

9. This Order applies to all parties in interest in Debtors' Chapter 15 proceedings, as jointly administered, and all of their agents, employees, and representatives, and all those who act in concert with them or who receive notice of this Order.

Dated: May 19, 2022.



SHON HASTINGS, JUDGE
UNITED STATES BANKRUPTCY COURT