

Entered

C101914

COURT FILE NUMBER 2001 06423
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE **CALGARY**

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.



\$50.00
COM
Oct 20 2022

DOCUMENT **APPLICATION – STAY EXTENSION**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

Norton Rose Fulbright Canada LLP
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File No: 1001122095

NOTICE TO 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: October 20, 2022

Time: 10:00 AM

Where: CALGARY

Before Whom: The Honourable Madam Justice B. B. Johnston

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. 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, 984506 Alberta Ltd. (formerly

Capstan Hauling Ltd.), ENT Capital Corp., ENT Oilfield Group Ltd., ENTREC Services Ltd., ENTREC Holdings Inc., and ENTREC Cranes and Heavy Haul Inc., (collectively, the **Applicants** or **ENTREC**).

2. 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 28, 2023, or such other date as this Honourable Court deems just; and
 - b. granting such further and other relief as counsel may advise and this Honourable Court deems just and appropriate.

Grounds for making this application:

3. On May 15, 2020, the Applicants were granted an 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 a period initially expiring May 25, 2020.
4. 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.
5. The Stay is currently set to expire on the earlier of October 31, 2022, or the CCAA Termination Date, as defined in the CCAA Termination Order dated November 24, 2020 (the **CCAA Termination Order**).
6. The Monitor is working with its U.S. Counsel to conclude ongoing litigation between Wolverine Energy & Infrastructure Inc. (**Wolverine**) and ENTREC in the Southern District Court of Texas (the **Wolverine Litigation**).
7. The trial concluded on December 9, 2021; on August 9, 2022, the Southern District Court of Texas dismissed the action; however, Wolverine has appealed this decision. The Monitor remains hopeful that the ongoing Wolverine Litigation will be resolved in the relatively near future, but is not in a position to predict when this will occur.
8. As disclosed and discussed in prior reports, the Monitor is holding a bid deposit paid by Wolverine in the amount of approximately \$3.35 million pending the final resolution of the Wolverine Litigation.
9. Since the issuance of the Tenth Report, the Monitor has attended to various matters on behalf of ENTREC in accordance with the Enhanced Powers Order, including collections, attending to various legal proceedings in respect of the Wolverine Litigation, monitoring cash flow and operational matters, reporting to the Syndicate and the Agent, preparing cash flow forecasts, collecting vendor holdbacks and outstanding accounts receivable, assisting with wind-down activities, attending to compliance, tax, and regulatory matters in Canada and the U.S., communicating with various trade creditors and other stakeholders, and various other activities and duties as further set out in the Eleventh Report of the Monitor dated October 11, 2022 (the **Eleventh Report**).

10. The Monitor is seeking an extension of the Stay Period to April 28, 2023. It is appropriate to extend the stay until the conclusion of the Wolverine Litigation and the Monitor's administration of ENTREC's affairs, at which time the Monitor will seek its discharge.
11. ENTREC will have sufficient cash to fund any ongoing operations, the administration of its affairs by the Monitor, 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.

Material or evidence to be relied on:

13. The pleadings, affidavits, and other materials filed on the court file.
14. The Eleventh Report.
15. 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:

16. 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"

COURT FILE NUMBER 2001 06423

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE **CALGARY**

 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.

Clerk's Stamp

DOCUMENT **ORDER**

(Extension of Stay Period)

ADDRESS FOR SERVICE Norton Rose Fulbright Canada LLP
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FILING THIS DOCUMENT

 Attention: Howard A. Gorman, K.C. | Gunnar Benediktsson
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 gunnar.benediktsson@nortonrosefulbright.com
 File No: 1001122095

DATE ON WHICH ORDER WAS PRONOUNCED: October 20, 2022

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Madam Justice B.B. Johnston

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, 984506 Alberta Ltd. (formerly Capstan Hauling Ltd., and referred to herein as **984**), ENT Capital Corp., ENT Oilfield Group Ltd., Entrec Services Ltd., Entrec Holdings Inc., and ENTREC Cranes & Heavy Haul Inc. (collectively, **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**), and the CCAA Termination Order of this Court dated November 24, 2020 (the CCAA Termination Order);

AND UPON REVIEWING the Eleventh Report of the Monitor dated October 11, 2022;

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

IT IS HEREBY ORDERED 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) in respect of ENTREC (including, for greater certainty, 984), is extended to the earlier of (1) the CCAA Termination Date, as defined in the CCAA Termination Order or (ii) April 28, 2023.

J.C.K.B.A.