

COURT FILE NO.: 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 MAKE A PROPOSAL OF VERTEX DOWNHOLE LTD.

DOCUMENT **APPLICATION OF GRANT THORNTON LIMITED, in its capacity as proposal trustee of VERTEX DOWNHOLE LTD.**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5

Telephone: (403) 351-2920
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File No.: 55116-7

Attention: Jeffrey Oliver / Kara N. Davis

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 master/judge.

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

Date: Friday, March 4, 2022
Time: 2:00 p.m.
Where: Calgary Courts Centre (via WebEx video conference)
Before Whom: The Honourable Justice K.M. Horner 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. An Order substantially in the form of Schedule "A", attached hereto:
 - (a) if necessary, abridging the time for service of this application (the "**Application**") and supporting First Report (the "**Report**") of Grant Thornton Limited ("**GTL**") dated February

25, 2022, in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) of Vertex Downhole Ltd. (“**Vertex**”) and declaring service good and sufficient;

- (b) approving the conduct and activities of the Proposal Trustee as described in the Report;
- (c) approving the fees and disbursement of the Proposal Trustee and its legal counsel, Cassels Brock & Blackwell LLP (“**Cassels**”); and
- (d) such further and other relief as counsel may advise and this Honourable Court permits.

Ground for making this Application:

- 2. Vertex is a privately held oil and gas service company, incorporated under the *Business Corporations Act*, RSA 2000, c B-9.
- 3. As a result of financial challenges faced by Vertex, on January 26, 2022, HSBC Canada (“**HSBC**”), Vertex’s most significant secured creditor, issued a demand letter and Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (“**BIA**”).
- 4. 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.
- 5. GTL, a Licensed Insolvency Trustee under the BIA, consented to act as trustee in the NOI Proceedings.

Activities of Proposal Trustee

- 6. The Proposal Trustee has acted diligently since its appointment and has undertaken those activities described further in the Report, which actions are lawful, proper and consistent with the Proposal Trustee’s powers and duties under the BIA.

Professional Fees

- 7. The accounts of the Proposal Trustee for the period of February 2, 2022 to February 18, 2022 total approximately \$50,897, exclusive of GST.
- 8. The fees and disbursements of the Proposal Trustee and Cassels estimated to be incurred up to March 4, 2022 (the date of the hearing of this Application and the application of Vertex), are \$14,000 and \$6,000 respectively, plus GST.

9. The Proposal Trustee is of the view that the invoices rendered by it and to be rendered by it and Cassels, are fair and reasonable in the circumstances and were validly incurred in accordance with the provisions of the BIA.
10. The Proposal Trustee and Cassels have agreed to cap their respective fees to a combined total of \$50,000, inclusive of GST.

Material or evidence to be relied on:

11. First Report of the Proposal Trustee dated and filed February 25, 2022;
12. Affidavit of Craig Flint, sworn February 22, 2022;
13. Affidavit of Service to be sworn and filed in these proceedings; and
14. such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

15. The *Alberta Rules of Court*, including Rules 1.2, 1.3, 1.4, 6.1, 6.2 and 6.3.

Applicable Acts and regulations:

16. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (as amended);
17. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

18. None.

How the application is proposed to be heard or considered:

19. Via WebEx.

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 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

MATTER IN THE MATER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, C B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION MAKE A PROPOSAL OF VERTEX DOWNHOLE LTD.

DOCUMENT **ORDER APPROVING ACTIONS OF PROPOSAL TRUSTEE AND PROFESSIONAL FEES**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
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888 3rd Street SW
Calgary, Alberta, T2P 5C5
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Email: joliver@cassels.com / kdavis@cassels.com
File No.: 55116-7

Attention: Jeffrey Oliver / Kara N. Davis

DATE ON WHICH ORDER WAS PRONOUNCED: Friday, March 4, 2022
LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta
NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice K.M Horner

UPON THE APPLICATION by Grant Thornton Limited in its capacity as Proposal Trustee of Vertex Downhole Ltd. ("**Vertex**") for an order, *inter alia*, approving (a) the conduct and actions of the Proposal Trustee; and (b) the professional fees of the Proposal Trustee and its counsel, as set out in the First Report of the Proposal Trustee dated February 25, 2022 (the "**Report**"); **AND UPON HAVING READ** the Report, the Affidavit of Craig Flint sworn February 22, 2022 and the Affidavit of Service of Richard Kay, sworn February [●], 2022; **AND UPON HEARING** the submissions of counsel for the Receiver and any other interested parties in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. Service of the application (the “**Application**”) for this order (the “**Order**”) and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of the Application and time for service of the Application is abridged to that actually given.

Approval of Conduct & Actions of Proposal Trustee

2. The conduct and activities of the Proposal Trustee for the period ending March 4, 2022 as set out in the Report, are ratified and approved.

Approval of Professional Fees

3. The accounts for fees and disbursements of the Proposal Trustee and its legal counsel, Cassels Brock & Blackwell LLP, for the period of February 2, 2022 to March 4, 2022, are approved in the combined total amount of \$50,000 inclusive of GST, without the necessity of a formal passing of their respective accounts.

Service of Order

4. Service of this Order shall be deemed good and sufficient by serving the same on:
 - (a) the persons listed on the service list prepared by counsel to Vertex in these proceedings;
 - (b) any other person served with notice of the Application for this Order; and
 - (c) any other parties attending or represented at the Application for this Order.
5. Service of this Order on any other person is hereby dispensed with.

Justice of the Court of Queen’s Bench of Alberta