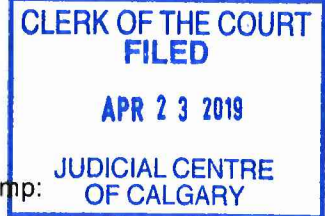


Form 27
[Rules 6.3 and 10.52(1)]



Clerk's stamp:

COURT FILE NUMBER	1901-00238
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ATB FINANCIAL
DEFENDANTS	KODIAK SERVICES PARTNERSHIP, KODIAK WIRELINE SERVICES LTD., KODIAK ENERGY SOLUTIONS LTD., KODIAK TOOLS LTD., 1623360 ALBERTA LTD., KODIAK SERVICES USA, INC., KODIAK SERVICES MEXICO, SA. DE CV AND KODIAK SERVICES INT'L INC.
DOCUMENT	<u>APPLICATION BY ERNST & YOUNG INC., COURT-APPOINTED RECEIVER AND MANAGER – APPROVING SALES</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Bankers Court 15 th Floor, 850 - 2 nd Street S.W. Calgary, Alberta T2P 0R8 Attn: David Mann / John Regush Ph. (403) 268-7097 / 7086 Fx. (403) 268-3100 File No.: 131079-100

NOTICE TO RESPONDENTS: Service List

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 shown below:

Date	May 1, 2019
Time	2:30 p.m.
Where	Calgary Courts Centre, 601 5 St SW, Calgary, Alberta T2P 5P7
Before Whom	The Honourable Justice C.M. Jones

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 attached as Schedule "A" hereto:
 - (a) abridging the time for service of this application and deeming service good and sufficient;
 - (b) ratifying and approving the actions of Ernst & Young Inc. ("EY") in its capacity as court-appointed receiver and manager (the "**Receiver**") of the Debtors (as defined below), including the sale process described in the Receiver's Second Report (the "**Second Report**") and the Confidential Supplement to the Second Report (the "**Confidential Supplement**");
 - (c) authorizing and approving the sales process instituted pursuant to the Asset Sale Invitation (as defined below) and approving sales of the property of the Debtors pursuant to the Approved Offers (as defined below);
 - (d) granting leave to the Receiver to apply or reapply to this or any court or administrative body in any province of Canada for advice, assistance and directions as may be necessary to carry out the terms of the order sought; and
 - (e) granting such further and other relief, advice, and directions as counsel may advise and this Honourable Court deem just and appropriate.
2. An order, substantially in the form attached as Schedule "B" to this application, sealing the Confidential Supplement.

Grounds for making this application:

Receivership Proceedings

3. On January 10, 2019, pursuant to an application made by ATB Financial ("**ATB**") in respect of Kodiak Services Partnership, Kodiak Wireline Services Ltd., Kodiak Energy Solutions Ltd., Kodiak Tools Ltd., and 1623360 Alberta Ltd. (collectively, the "**Kodiak Canada**"), EY was appointed as Receiver of Kodiak Canada by virtue of an order of the Court of Queen's Bench of Alberta (the "**Initial Receivership Order**").
4. On March 13, 2019, pursuant to an application made by ATB, the Initial Receivership Order was amended to appoint EY as Receiver of Kodiak Services USA, Inc. in addition to Kodiak Canada (Kodiak Canada and Kodiak Services USA, Inc. are collectively the "**Debtors**", and the Initial Receivership Order, as amended, is the "**Receivership Order**").
5. On April 5, 2019, the Receiver brought a motion before the United States Bankruptcy Court for the Western District of Texas seeking recognition of the Receivership Order (the "**Provisional Relief Motion**").
6. The Receiver was granted certain provisional relief in respect of the Debtors at the Provisional Relief Motion, and a motion to consider the entry of the recognition order is scheduled for April 25, 2019 (the "**Recognition Motion**").

Activities of the Receiver to Date

7. The Receiver's activities include, among other things and as more expressly detailed in the Second Report, Confidential Supplement, and the Receiver's First Report previously filed in these proceedings:
 - (a) taking conservatory measures with respect to the Debtors' assets along with their books and records;
 - (b) addressing, investigating, and analyzing a number of creditor related matters that have arisen since the onset of the receivership proceedings;
 - (c) analyzing the Debtors' outstanding accounts receivable and reviewing collection of the same;
 - (d) completing a number of asset sales falling within the thresholds set out in the Receivership Order for which Court approval is not required;
 - (e) undertaking a marketing and sales process with respect to the assets of Kodiak Canada;
 - (f) reviewing the offers obtained in the sales process and discussion and negotiation with offerors; and
 - (g) taking steps to have these receivership proceedings recognized in the United States.
8. The Receiver seeks ratification and approval of its actions, including the sale process, described in the Second Report, Confidential Supplement, and First Report previously filed in these proceedings.

Approving Offers

9. Pursuant to the terms of the Receivership Order, and in particular paragraphs 3(k) and 3(l) the Receiver is authorized to market the current and future assets, undertakings, and properties of the Debtors (the "**Property**") and sell the Property with approval of the Court.
10. The Receiver has marketed the Property, including by preparing and circulating an Invitation for Offers to Purchase Assets or Proposals to Liquidate Assets dated February 25, 2019 (the "**Asset Sale Invitation**").
11. The Asset Sale Invitation generated a number of offers (the "**Offers**") submitted by a number of different offerors.
12. The Receiver reviewed the Offers and entered into discussion and negotiation with certain offerors regarding their Offers.
13. As a result of the Asset Sale Invitation and subsequent communications with offerors, the Receiver has approved a number of offers (the "**Approved Offers**"), which contemplated the sale of certain of the Property (the "**Purchased Assets**"), subject to approval of this Honourable Court.
14. The sales process and manner in which offers were received and approved was fair and just in the circumstances, with the interests of all stakeholders being considered.

15. The Receiver has made significant efforts to obtain the best possible price for the Purchased Assets and recommends the approval of the Asset Sale Invitation and the sales contemplated by the Approved Offers to this Honourable Court.
16. The Receiver will continue to undertake efforts to realize on any Property of the Debtors not comprising the Purchased Assets.

Sealing Confidential Supplement

17. The Confidential Supplement contain commercially sensitive information, is confidential, and should be sealed until the Receiver is discharged to avoid the tainting of any potential future sales process, which may be required should any of the sales fail to be completed. The terms set out in the proposed form of order attached as Schedule "B" are necessary to accomplish this.
18. The proposed sealing order is limited in that the Confidential Supplement would only remain sealed until the discharged of the Receiver. The public disclosure of the information contained in the Confidential Supplement, prior to the Receiver's discharge, would cause serious and irreparable harm to the estate and its stakeholders. The sealing provision is a fair and reasonable means to address the harm of restricting public dissemination at this time.

Material or evidence to be relied on:

19. Receiver's Second Report, filed.
20. Confidential Supplement to the Receiver's Second Report, unfiled.
21. The pleadings and proceedings in the within action.
22. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

23. *Alberta Rules of Court*, Alta Reg 124/2010, including but not limited to rules 1.2-1.5, 6.3(1), 6.47(e) and (f), 6.9(1)(a), 11.27, and Part 6, Division 4, including Rule 6.28(b).
24. Such further and other Rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

25. *Bankruptcy and Insolvency Act*, RSC 1985 c B-3.
26. *Bankruptcy and Insolvency General Rules*, CRC c 368.
27. *Judicature Act*, RSA 2000 c J-2.
28. 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:

29. None.

How the application is proposed to be heard or considered:

30. In person, before the Presiding Commercial List Justice.

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 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" to the Application of the Receiver

Clerk's stamp:

COURT FILE NUMBER	1901-00238
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ATB FINANCIAL
DEFENDANTS	KODIAK SERVICES PARTNERSHIP, KODIAK WIRELINE SERVICES LTD., KODIAK ENERGY SOLUTIONS LTD., KODIAK TOOLS LTD., 1623360 ALBERTA LTD., KODIAK SERVICES USA, INC., KODIAK SERVICES MEXICO, SA. DE CV AND KODIAK SERVICES INT'L INC.
DOCUMENT	<u>ORDER – APPROVING MARKETING, SALES, AND ACTIVITIES</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Bankers Court 15 th Floor, 850 - 2 nd Street S.W. Calgary, Alberta T2P 0R8 Attn: David Mann / John Regush Ph. (403) 268-7097 / 7086 Fx. (403) 268-3100 File No.: 131079-100

UPON THE APPLICATION by Ernst & Young Inc. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of Kodiak Services Partnership, Kodiak Wireline Services Ltd., Kodiak Energy Solutions Ltd., Kodiak Tools Ltd., 1623360 Alberta Ltd., and Kodiak Services USA, Inc. (collectively, the "**Debtors**"); AND UPON reading the Receiver's Second Report (the "**Second Report**"), filed, the Confidential Supplement to the Receiver's Second Report, unfiled (the "**Confidential Supplement**"), and the Receiver's First Report, filed; AND UPON having read the Affidavit of _____ AND UPON hearing submissions of counsel to the Receiver;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and 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.

APPROVAL OF ACTIVITIES

2. The Receiver's activities as set out in the Second Report, Confidential Supplement, and in all of its other reports filed herein are hereby ratified and approved.

APPROVAL OF SALES PROCESS AND APPROVED OFFERS

3. The Invitation for Offers to Purchase Assets or Proposals to Liquidate Assets dated February 25, 2019 (the "**Asset Sale Invitation**") and sales process undertaken by the Receiver is hereby approved.
4. The acceptance of the offers generated through the Asset Sale Invitation and approved by the Receiver (the "**Approved Offers**") is hereby authorized and approved, with such minor amendments to the Approved Offers as the Receiver may deem necessary.
5. The sale process and Approved Offers are commercially reasonable and in the best interest of the Debtors and their stakeholders.
6. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transactions contemplated by the Approved Offers or for the conveyance of any property to any purchaser (or its nominee) in accordance with the terms of the Approved Offers.
7. The Receiver shall be at liberty to apply for further advice, assistance and directions as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the transaction contemplated by the Approved Offers.

MISCELLANEOUS

8. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
9. This Order must be served only upon those interested parties attending or represented at the within application and service may posting this Order to the Receiver's website maintained in respect of these proceedings. Service is deemed to be effected the next business day following posting of the Order to the Receiver's website maintained in respect of these proceedings.
10. Service of this Order on any party not attending this application is hereby dispensed with.

Justice of the Court of Queen's Bench of Alberta

Schedule "B" to the Application of the Receiver

Clerk's stamp:

COURT FILE NUMBER	1901-00238
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ATB FINANCIAL
DEFENDANTS	KODIAK SERVICES PARTNERSHIP, KODIAK WIRELINE SERVICES LTD., KODIAK ENERGY SOLUTIONS LTD., KODIAK TOOLS LTD., 1623360 ALBERTA LTD., KODIAK SERVICES USA, INC., KODIAK SERVICES MEXICO, SA. DE CV AND KODIAK SERVICES INT'L INC.
DOCUMENT	<u>SEALING ORDER – CONFIDENTIAL SUPPLEMENT TO RECEIVER'S SECOND REPORT</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Bankers Court 15 th Floor, 850 - 2 nd Street S.W. Calgary, Alberta T2P 0R8 Attn: David Mann / John Regush Ph. (403) 268-7097 / 7086 Fx. (403) 268-3100 File No.: 131079-100

UPON THE APPLICATION by Ernst & Young Inc. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of Kodiak Services Partnership, Kodiak Wireline Services Ltd., Kodiak Energy Solutions Ltd., Kodiak Tools Ltd., 1623360 Alberta Ltd., and Kodiak Services USA, Inc. (collectively, the "**Debtors**"); AND UPON reading the Second Report of the Receiver (the "**Second Report**"), filed and the Confidential Supplement to the Second Report of the Receiver, unfilled (the "**Confidential Supplement**"); AND UPON having read the Affidavit of _____ AND UPON hearing submissions of counsel to the Receiver;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Part 6 Division 4 of the *Alberta Rules of Court*, Alta Reg 124/2010 does not apply to this application.
2. The Confidential Supplement shall be filed in Court of Queen's Bench of Alberta Action Number 1901-00238 and shall immediately be sealed by the Clerk of the Court, kept confidential and not form part of the public record, and not be available for public inspection until the earlier of the discharge of the Receiver in these proceedings or until otherwise ordered by this Court, after application brought upon seven days' notice to all interested parties, whereupon the Clerk of the Court shall remove the Confidential Supplement from the sealed envelope referred to below and

place the Confidential Supplement on the public record. The Supplement shall be sealed and filed in an envelope containing the following statement thereon:

THIS ENVELOPE CONTAINS THE CONFIDENTIAL SUPPLEMENT TO THE SECOND REPORT OF ERNST & YOUNG INC. AS THE COURT-APPOINTED RECEIVER AND MANAGER OF KODIAK SERVICES PARTNERSHIP, KODIAK WIRELINE SERVICES LTD., KODIAK ENERGY SOLUTIONS LTD., KODIAK TOOLS LTD., 1623360 ALBERTA LTD., AND KODIAK SERVICES USA, INC. WHICH SHALL BE SEALED UNTIL THE RECEIVER IS DISCHARGED IN THE WITHIN ACTION OR UNTIL FURTHER ORDER OF THIS COURT AND IS NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICALLY ACCESSIBLE EXCEPT AFTER THE RECEIVER IS DISCHARGED OR IN ACCORDANCE WITH SUCH ORDER.

Justice of the Court of Queen's Bench of Alberta