IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
MIDLAND DIVISION

In re: KODIAK SERVICES USA, INC., Debtor in Foreign Proceeding.	Chapter 15 Case No. ____-_____ (___) Recognition Request Pending
In re: KODIAK SERVICES PARTNERSHIP, Debtor in Foreign Proceeding.	Chapter 15 Case No. ____-_____ (___) Recognition Request Pending
In re: KODIAK WIRELINE SERVICES LTD., Debtor in Foreign Proceeding.	Chapter 15 Case No. ____-_____ (___) Recognition Request Pending
In re: KODIAK ENERGY SOLUTIONS LTD., Debtor in Foreign Proceeding.	Chapter 15 Case No. ____-_____ (___) Recognition Request Pending
In re: KODIAK TOOLS LTD., Debtor in Foreign Proceeding.	Chapter 15 Case No. ____-_____ (___) Recognition Request Pending
In re: 1623360 ALBERTA LTD., Debtor in Foreign Proceeding.[1]	Chapter 15 Case No. ____-_____ (___) Recognition Request Pending

[1] The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: Kodiak Services USA, Inc. (0169) ("Kodiak USA"), Kodiak Services Partnership (9809) ("Kodiak Partnership"), Kodiak Wireline Services Ltd. (2948) ("Kodiak Wireline"), Kodiak Energy Solutions Ltd. (2892) ("Kodiak Solutions"), Kodiak Tools Ltd. (3099) ("Kodiak Tools"), and 1623360 Alberta Ltd. (1045) ("162 Alberta", collectively with Kodiak Partnership, Kodiak Wireline, Kodiak Solutions, and Kodiak Tools, the "Canadian Debtors"). The Debtors' headquarters is located at #2230, 13 Mission Avenue, St. Alberta, Alberta. Kodiak's principal place of business in the US is located at its leased premises in Midland, Texas.

VERIFIED PETITION AND MOTION FOR PROVISIONAL AND FINAL RELIEF FOR RECOGNITION OF A FOREIGN PROCEEDING PURSUANT TO 11 U.S.C. §§ 105(A), 1517, 1519, 1520, AND 1521

Ernst & Young Inc. as receiver (the "Receiver"), and as the putative foreign representative, for the above-captioned affiliates (collectively, the "Debtors" or "Kodiak") in a proceeding (the "Receivership Proceeding") under Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and Section 13(2) of the *Judicature Act*, RSA 2000 c J-2, as amended (the "Judicature Act") before the Court of Queen's Bench of Alberta (the "Canadian Court"), hereby moves (the "Motion") this Court, pursuant to sections 105(a), 1517, 1519, 1520 and 1521 of title 11 of the United States Code (the "Bankruptcy Code") for: (a) entry of a provisional order (the "Provisional Relief Order") applying sections 1519(a), 362 and 365(e) (but not any other subsection of Section 365, or Section 365 generally) of the Bankruptcy Code in the above-captioned chapter 15 cases (the "Chapter 15 Cases") and granting related relief on an interim basis, pursuant to sections 1519(a)(1)–(a)(3), 1521(a)(3), 1521(a)(5)–(a)(7), 542, 543, and 105(a) of the Bankruptcy Code; (b) entry of a final order (the "Recognition Order" or, in the alternative, the "Alternative Recognition Order") after a notice and a hearing (i) granting the petitions in the Chapter 15 Cases (the "Chapter 15 Petitions") and, under section 1517 of the Bankruptcy Code, recognizing the Receivership Proceeding as a "foreign main proceeding" or, in the alternative, recognizing the Receivership Proceeding as a "foreign main proceeding" with respect to the Canadian Debtors (as defined below) and a "foreign non-main proceeding" with respect to Kodiak USA (as defined below), and (ii) giving full force and effect in the United States to any and all orders that have been or will be made or entered in the Receivership Proceeding, including without limitation, the Receivership Order (as defined below) and any forthcoming final order(s) approving the sale of Kodiak's business and/or assets (collectively, the "Canadian Orders"), including any extensions or amendments thereof authorized by the Canadian Court; (c) declaring that, in the event this Motion is contested that Rule 9013 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Western District of Texas (the "Local Rules") is satisfied, as applicable; and (d) granting such other and further relief as this Court deems just and proper, including, as appropriate, under sections 1520 and 1521 of the Bankruptcy Code. In support of the Motion, the Receiver relies upon the *Declaration of Dan McCulloch in Support of Verified Petitions for Recognition under Chapter 15 and for Additional Relief* (the "McCulloch Declaration"), filed with the Court contemporaneously herewith. In further support of the Motion, the Receiver respectfully represents as follows:

BACKGROUND

1. Kodiak carries on business providing wireline services to customers in the oil and gas industry, which services included oil well completion using perforating guns and numerous oil well testing services. Kodiak has historically operated throughout Northern Alberta, Saskatchewan, and British Colombia, Canada, and Midland, Texas though as at the date of the January 10, 2019, it was operating only in Alberta and Texas.

2. Kodiak holds various assets necessary to provide wireline services, including, among other things, vehicles, trailers, and industry specific equipment including explosives and nuclear materials in the United States.

3. Kodiak Partnership holds leasehold interests in real property in Calgary, Alberta, Red Deer, Alberta, Slave Lake, Alberta, and Provost, Alberta. Kodiak USA holds leasehold interests in real property in Midland, Texas (the "Midland Lease"). Kodiak Partnership also owns property in Whitecourt, Alberta, that is subject to a mortgage in favour of ATB Financial, formerly Alberta Treasury Branches, ("ATB") and Business Development Bank of Canada.

4. Kodiak is financed primarily through loans provided by ATB to Kodiak Partnership and Kodiak Wireline, and loans provided by Export Development Canada ("EDC") to Kodiak USA.

5. ATB is a corporation existing pursuant to the provisions of the *ATB Financial Act*, RSA 2000 c A-45.2.

6. EDC is a self-financing Canadian Crown corporation existing pursuant to the *Export Development Act*, RSC 1985 c E-20, who supports and develops Canada's export trade by helping Canadian companies respond to international business opportunities.

7. The loans provided by ATB to Kodiak Partnership and Kodiak Wireline were guaranteed by the other Kodiak entities. Kodiak's obligations to ATB are supported by various security agreements, which provide for liens on certain of Kodiak's property.

8. As of the summer of 2018, Kodiak Partnership and Kodiak Wireline were in default of their loan agreements with ATB.

9. On August 7, 2018, ATB entered into a forbearance agreement with Kodiak (the "Forbearance Agreement"), in respect of which Kodiak defaulted and which expired through the effluxion of time.

10. On January 10, 2019, the Canadian Court entered an order in the Receivership Proceeding (the "Initial Receivership Order"), appointing the Receiver as receiver over the assets and undertakings of Kodiak Partnership, Kodiak Wireline, Kodiak Solutions, Kodiak Tools, and 162 Alberta (the "Initial Receivership Entities"). The Initial Receivership Order was consented to by each of the Initial Receivership Entities. The Initial Receivership Order expressly granted ATB leave to apply for an order appointing a receiver and manager over the current and future assets, undertakings, and properties of Kodiak USA.

11. On March 13, 2019, on the application of ATB, the Canadian Court amended the Initial Receivership Order in the Receivership Proceeding (Initial Receivership Order, as amended, being the "Receivership Order"), appointing the Receiver as receiver over the assets and undertakings of Kodiak USA as well.

12. The factual background regarding the Debtors, including their business operations, indebtedness, and the events leading to the filing of the Receivership Proceeding and the Chapter 15 Cases, is set forth in the McCulloch Declaration.

JURISDICTION AND VENUE

13. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

14. Venue is proper in this District pursuant to 28 U.S.C. § 1410.

15. The statutory predicates for the relief requested herein are sections 105(a), 362, 365(e) (but not any other subsection of Section 365, or Section 365 generally), 1517, 1519, 1520, and 1521 of the Bankruptcy Code.

REQUEST FOR RELIEF

16. By this Motion, the Receiver seeks (a) entry of the Provisional Relief Order, substantially in the form attached hereto as Exhibit A, on an interim basis, applying sections 362 and 365(e) (but not any other subsection of Section 365, or Section 365 generally) of the Bankruptcy Code to the Chapter 15 Cases and granting related relief pursuant to sections 1519(a)(1)–(a)(3), 1521(a)(3), 1521(a)(5)–(a)(7), 542, 543, and 105(a) of the Bankruptcy Code until such time that this Court enters the Recognition Order; (b) after notice and a hearing, entry of the Recognition Order, substantially in the form attached hereto as Exhibit B, (i) granting the Chapter 15 Petitions and recognizing the Receivership Proceeding as a foreign main proceeding under section 1517 of the Bankruptcy Code and (ii) giving full force and effect in the United

States to the Canadian Orders, including any extensions or amendments thereof approved by the Canadian Court; and (c) such other and further relief as this Court deems just and proper.

17. In the alternative, with respect to recognition only, by this Motion, the Receiver seeks, after notice and a hearing, entry of the Alternative Recognition Order, substantially in the form attached hereto as Exhibit C, (i) granting the Chapter 15 Petitions, recognizing the Receivership Proceeding as a foreign main proceeding under section 1517 of the Bankruptcy Code with respect to the Canadian Debtors, and recognizing the Receivership Proceeding as a foreign non-main proceeding under section 1517 of the Bankruptcy Code with respect to Kodiak USA, and (ii) giving full force and effect in the United States to the Canadian Orders, including any extensions or amendments thereof approved by the Canadian Court; and (iii) such other and further relief as this Court deems just and proper. In any event, the Receiver seeks the same relief with respect to all of the Debtors; namely, the relief provided in section 1520 of the Bankruptcy Code, whether through the application of section 1520 or sections 1521(a)(5)–(a)(7) of the Bankruptcy Code.

18. In addition, the Receiver seeks a declaration that, in the event this Motion is contested and Local Rule 9013 applies hereto, that the basis for relief set forth herein satisfies the requirements under Local Rule 9013.

BASIS FOR RELIEF

19. The Receiver filed the Chapter 15 Petitions to obtain recognition of the Receivership Proceeding as a "foreign main proceeding" or a "foreign non-main proceeding" under section 1517 of the Bankruptcy Code and to seek certain provisional relief related thereto from this Court in connection with the Receivership Proceeding. The Receiver's ultimate goal is to ensure an orderly liquidation of the Debtors' assets under the auspices of the Receivership Proceeding for the benefit of all the Debtors' creditors in the US and Canada, with the aid of this

Court through the Chapter 15 Cases. The Receiver believes that entry of the Provisional Relief Order and Recognition Order will best assure (and may be the only way to ensure) such a result.

A. Provisional Relief Is Authorized Under Section 1519(a) of the Bankruptcy Code

20. Section 1519(a) of the Bankruptcy Code provides, in pertinent part, that:

> From the time of filing a petition for recognition until the court rules on the petition, the court may, at the request of the foreign representative, where relief is urgently needed to protect the assets of the debtor or the interests of the creditors, grant relief of a provisional nature, including–
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> (1) staying execution against the debtor's assets;
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> (2) entrusting the administration or realization of all or part of the debtor's assets located in the United States to the foreign representative or another person authorized by the court, including an examiner, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy; and
>
> (3) any relief referred to in paragraph (3), (4), or (7) of section 1521(a).

11 U.S.C. § 1519(a).

21. Section 1519(a) of the Bankruptcy Code thus authorizes the Court to grant, on a provisional basis, the relief specified plus any relief available under section 1521(a)(3), (4) or (7). Section 1521(a)(7) in turn provides for the grant of any relief available to a trustee, subject to certain statutory exceptions that are not applicable here. Accordingly, this Court has discretion to grant (a) a stay of execution against the Debtors' assets, (b) the entrustment of the administration of the Debtors' assets located in the United States to the foreign representative, and (c) the application of sections 362 and 365(e) (but not any other subsection of Section 365, or Section 365 generally) in order to preserve the value of the Debtors' assets during the pendency of the Chapter 15 Cases, prior to final disposition of the Chapter 15 Petitions.

22. Relief under section 1519 of the Bankruptcy Code is available where the foreign representative can satisfy the standard for injunctive relief. The Fifth Circuit Court of Appeals has outlined the standards that a district court is to consider when deciding whether to grant preliminary injunctive relief: (1) a substantial likelihood of success on the merits, (2) a substantial threat of irreparable injury if the injunction is not issued, (3) that the threatened injury if the injunction is denied outweighs any harm that will result if the injunction is granted, and (4) that the grant of an injunction will not disserve the public interest. *Palmer ex rel. Palmer v. Waxahachie Indep. Sch. Dist.*, 579 F.3d 502, 506 (5th Cir.2009) (quoting *Byrum v. Landreth,* 566 F.3d 442, 445 (5th Cir.2009)). This standard is met here.

23. Recognition of the Chapter 15 Cases on a permanent basis is proper, meaning the probability of successfully obtaining recognition of the Receivership Proceeding pursuant to chapter 15 is high. Further, unless the Provisional Relief Order is entered, there is real possibility of immediate and irreparable harm to the Debtors' creditors from (a) individual creditors' collection and enforcement actions, (b) the possible termination of certain contracts as a result of the filing of the Chapter 15 Cases and the Receivership Proceeding, and (c) prejudice that could result from decentralized administration of the Debtors' assets.

24. With respect to dissipation of value of assets, the provisional relief requested herein is necessary to prevent harm to creditors and stakeholders. The Receiver requires the provisional relief request to assist in compiling an inventory of existing assets, and ensuring the assets are properly secured and insured in the immediate term. Absent such relief, the Debtors' creditors may suffer irreparable harm.

25. With respect to the potential for collection activity by creditors, a number of courts have recognized the need for provisional relief to prevent individual creditors from taking extrajudicial advantage of the recognition process. *See Victrix S.S. Co., S.A v. Salen Dry Cargo*

A.B., 825 F.2d 709, 713-14 (2d Cir. 1987) (harm to an estate exists where the orderly determination of claims and the fair distribution of assets are disrupted); *In re Banco Nacional de Obras y Servicios Publicos, S.N.C.*, 91 B.R. 661, 664 (Bankr. S.D.N.Y. 1988); *In re Lines*, 81 B.R. 267, 270 (Bank. S.D.N.Y. 1988) (holding that "the premature piecing out of property involved in a foreign liquidation proceeding constitutes irreparable injury."); *In re MMG LLC*, 256 B.R. 544, 555 (Bankr. S.D.N.Y. 2000) (finding that the guiding principle of bankruptcy is equality of distribution and that irreparable harm exists whenever local creditors of the foreign debtor seek to collect on claims or obtain preferred positions to the detriment of other creditors); *see also In re Bird*, 222 B.R. 229, 233 (Bankr. S.D.N.Y. 1998) (finding that the purpose of filing under former section 304 is to prevent local creditors from dismembering assets located in the United States).

26. The commencement of the Receivership Proceedings may be an event of default under the Midland Lease and may result in the leasor seeking to exercise its remedies thereunder, which will interfere with the Receiver's ability to effect an orderly liquidation of the Debtors' assets. In addition, counterparties to various contracts with the Debtors may take the position that such contracts terminated upon the commencement of the Receivership Proceedings and, without the protections afforded by section 365(e) of the Bankruptcy Code, the value of the Debtors' assets may decline due to the loss of valuable rights and benefits under these terminated contracts. The relief requested herein is necessary to protect against interference with liquidation efforts that would result from such exercise of remedies by lenders, contract counterparties, and others. Absent this relief, the Debtors' creditors may suffer irreparable harm.

27. Further, entry of the Provisional Relief Order is also justified under the balance of hardships test. Absent this Court's entry of the Provisional Relief Order, the Receiver may be needlessly forced to expend its limited resources in otherwise compelling or convincing the

Debtors to comply with the Canadian Orders, defense of attachment and other similar collection actions by individual creditors, and may need to exert efforts to replace terminated contracts, potentially with less advantageous terms. At the same time, entry of the Provisional Relief Order will impose little, if any, hardship on any party. The hearing on the Recognition Order will likely be held in approximately 28 days from the date hereof. The requested provisional relief will therefore only be in place for a limited time and will have little impact on creditors as a whole if, for some reason that is not anticipated, the Court determines not to grant recognition to the Receivership Proceeding. Finally, the Provisional Relief Order would not prohibit termination upon the occurrence of any default under the Debtors' contracts other than those specifically enumerated in section 365(e) of the Bankruptcy Code. By contrast, if the provisional relief sought herein is not granted, the Debtors' creditors are at material risk of immediate and irreparable harm.

28. Moreover, upon entry of the Recognition Order granting recognition to the Receivership Proceeding as a foreign proceeding, sections 1520 and 1521 of the Bankruptcy Code would implement, among other provisions, the automatic stay of section 362 of the Bankruptcy Code in the Chapter 15 Cases. Thus, in the event the Recognition Order is entered, the Receiver will become entitled too much of the relief provided for by the Provisional Relief Order.[2] In addition, the Debtors have ceased ongoing operations and are not incurring additional trade or employee obligations in the ordinary course of business, so employees, creditors and contract counterparties should not be greatly affected by the ongoing proceedings (if at all). Individual creditors' rights to initiate piecemeal collection and enforcement actions in the United States and to terminate contracts or services should be afforded minimal weight in light of the

[2] In the event that Receivership Proceeding is recognized as a foreign non-main proceeding with respect to Kodiak USA, the Receiver is alternatively seeking relief under section 1521 of the Bankruptcy Code that would implement section 1520 of the Bankruptcy Code with respect to the Kodiak USA's assets and undertakings. Therefore, the Receiver will be seeking relief under section 1520 of the Bankruptcy Code, to the extent that such relief is not automatically conferred.

Receivership Proceeding, the filing of the Chapter 15 Petitions, the risk of value dissipation, and the relief requested herein.

29. Lastly, provisional relief pursuant to section 1519(a) of the Bankruptcy Code entrusting the administration and realization of the Debtors' assets located in the United States to the Receiver and the provisional application of sections 362 and 365(e) (but not any other subsection of Section 365, or Section 365 generally) in these Chapter 15 Cases is in the public interest, as such relief is consistent with relief to which debtors in plenary cases under the Bankruptcy Code are entitled. Such relief will allow for a more efficiently administered liquidation process to the benefit of all interested parties.

30. Furthermore, provisional relief similar to that requested herein has been granted in numerous chapter 15 cases in both this and other districts. *See, e.g., In re ATK Oilfield Transportation Inc.*, Case No. 16-70042 (RBK) (Bankr. W.D. Tex. April 4, 2016); *In re Ho Seok Lee*, 348 B.R. 799 (Bankr. W.D. Wash. 2006); *In re Angiotech Pharm., Inc.*, Case No. 11-10269 (KG) (Bankr. D. Del. Jan. 31, 2011); *In re Biltrite Rubber (1984) Inc.*, Case No. 09-31423 (MAW) (Bankr. N.D. Ohio Mar. 13, 2009) (applying, pursuant to section 1519 of the Bankruptcy Code, section 362 of the Bankruptcy Code on a provisional basis to the actions of all creditors against the petitioners and their property located within the United States); *In re KPMG Inc., Foreign Representative of Redcorp Ventures Ltd. and Redfern Resources Ltd.*, Case No. 09-12019 (Bankr. W.D. Wash. March 9, 2009) (same); *In re MAAX Corp.*, Case No. 08-11443 (CSS) (Bankr. D. Del. July 14, 2008) (applying, pursuant to section 1519 of the Bankruptcy Code, section 365(e) on a provisional basis to protect against contract termination); *In re Destinator Techs., Inc.*, Case No. 08-11003 (CSS) (Bankr. D. Del. May 20, 2008) (granting, pursuant to section 1519 of the Bankruptcy Code, a temporary injunction and application of sections 363 and 364 of the Bankruptcy Code on a provisional basis).

31. Based on the foregoing, the Receiver submits that the provisional relief requested herein is appropriate, authorized under the Bankruptcy Code, and in the best interests of the Debtors' creditors and other parties in interest, and should be granted in full.

B. The Final Relief Requested Herein is Necessary and Appropriate

a. Recognition of the Receivership Proceeding under Section 1517 Is Necessary and Appropriate

32. Chapter 15 of the Bankruptcy Code applies where assistance is sought in the United States by a foreign representative in connection with a foreign proceeding. *See* 11 U.S.C. § 1501(b)(1). Two of the objectives of chapter 15 of the Bankruptcy Code are the "fair and efficient administration of cross-border insolvencies that protects the interest of all creditors, and other interested entities, including the debtor," and the "protection and maximization of the value of the debtor's assets." 11 U.S.C. § 1501(a)(3) and (4). The Chapter 15 Cases have been commenced to obtain the assistance of this Court in the effective and economical administration of the Receivership Proceeding by, among other things, entering the Recognition Order so that the relief granted by the Canadian Court will apply with respect to the Debtors' assets in the United States.

33. Recognition of the Receivership Proceeding as a foreign main proceeding or, in the alternative, as a foreign main proceeding in respect of the Canadian Debtors and a foreign non-main proceeding in respect of Kodiak USA, is appropriate because the Receiver has satisfied the requirements of section 1517 of the Bankruptcy Code. Additionally, the Receiver requests that this Court, pursuant to sections 1521(a)(5)–(a)(7) of the Bankruptcy Code, extend the provisional relief granted on an interim basis in the Provisional Relief Order to final relief applicable in full during the pendency of the Chapter 15 Cases.

34. Section 1517(a) governs the Receiver's request for entry of the Recognition Order. Section 1517(a) provides:

> Subject to section 1506, after notice and a hearing, an order recognizing a foreign proceeding shall be entered if –
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> (1) such foreign proceeding for which recognition is sought is a foreign main proceeding or foreign non-main proceeding within the meaning of section 1502;
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> (2) the foreign representative applying for recognition is a person or body; and
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> (3) the petition meets the requirements of section 1515.

11 U.S.C. § 1517(a) (emphasis added). The Bankruptcy Code provides further that a foreign proceeding is a "foreign main proceeding" if it is pending in the country where the debtor has its center of main interests. *See* 11 U.S.C. § 1517(b)(1). A foreign proceeding is a "foreign non-main proceeding" if it is pending in a country where the debtor has an establishment, which is further defined as "any place of operations where the debtor carries out a nontransitory economic activity." *See* 11 U.S.C. §§ 1517(b)(2), 1502(2).

The Receivership Proceeding Is a "Foreign Main Proceeding"

35. Courts have identified several factors relevant to determining a debtor's center of main interests, including: (a) the location of the debtor's management, (b) location of the debtor's primary assets, (c) the location of the majority of the debtor's creditors who would be affected by the case, and (d) the jurisdiction whose law would apply to most disputes. *See In re Millennium Global Emerging Credit Master Fund Ltd.*, 458 B.R. 63, 77-78 (Bankr. S.D.N.Y. 2011).

36. Here, the Receivership Proceeding is a foreign main proceeding under the Bankruptcy Code for all the Debtors. As described in detail in the McCulloch Declaration and the Receivership Order, Alberta, Canada is the Debtors' center of main interests. The majority of the Kodiak entities are Alberta corporations, with registered offices in Alberta, and Kodiak Partnership is an Alberta partnership. A majority of the directors of the Kodiak entities are based in Alberta. Historically, Kodiak's Canadian and US operations are integrated and run by

common management. The majority of the Kodiak shareholders, ultimately responsible for Kodiak's overall operations, are located in St. Albert, Alberta, Canada. The major creditors of both the Canadian Debtors and Kodiak USA are ATB and EDC. These entities are both Canadian and both offered credit based upon, and at a time when, Kodiak's Canadian and US operations were consolidated and managed primarily in Canada ATB and EDC are each entities created pursuant to Canadian statute and located in Canada. It is expected that Canadian law will govern the majority of disputes between the ATB, EDC, and the Debtors. Additionally, there appears to have been transfers of some property owned by the Canadian Debtors to Midland, Texas, though the specifics of such transfers require further investigation by the Receiver.

37. The Receiver is a properly appointed "foreign representative" pursuant to section 101(24) of the Bankruptcy Code and the Chapter 15 Petitions meet the requirements of section 1515(c) of the Bankruptcy Code. As such, the Bankruptcy Code requirements for recognizing the Receivership Proceeding as a "foreign main proceeding" under the Bankruptcy Code are met.

38. In the alternative, the Receivership Proceedings are at least a foreign non-main proceeding under the Bankruptcy Code with respect to Kodiak USA. As described above, and in further detail in the McCulloch Declaration, at a minimum, Kodiak USA carries out various non-transitory operation, managerial, financing and other economic activities in Canada. The location of the vast majority of Kodiak's debt is in Canada, the integration of the operations of Kodiak USA and the Canadian Debtors in Canada, and the dependency of Kodiak USA upon the operations of the Canadian Debtors support the conclusion that the economic activities of Kodiak USA in Canada are of a non-transitory nature. Kodiak USA therefore clearly maintains "establishments" in Canada, where the Receivership Proceeding is pending. As such, the Bankruptcy Code requirements for recognizing the Receivership Proceeding as a "foreign non-main proceeding" under the Bankruptcy Code are met with respect to Kodiak USA.

39. The stated objectives of chapter 15 include: (i) cooperation between United States and foreign courts in cross-border insolvency cases, (ii) legal certainty for trade and investment, (iii) protection of all interested parties in a cross-border insolvency, and (iv) maximization of the value of the debtor's assets. 11 U.S.C. § 1501(a); *see In re Oversight & Control Comm'n. of Avánzit, S.A.*, 385 B.R. 525, 534 (Bankr. S.D.N.Y. 2008). The Receiver submits that each of these goals is best achieved by recognizing Canada as the centre of main interests of each Debtor, recognizing the Receivership Proceeding as the foreign main proceeding, and recognizing the Receiver as the foreign representative. The recognition of the Receivership Proceeding as a foreign main proceeding in respect of each Debtor supports and promotes the policies of chapter 15 and the principles of international comity. At a minimum, recognition of the Receivership Proceeding as a foreign main proceeding of the Canadian Debtors and a foreign non-main proceeding in respect of Kodiak USA is warranted.

The Receiver Is a Person and the "Foreign Representative" of the Debtors

40. In addition, the Receiver is clearly a person or body and the "foreign representative" of the Debtors. The Receiver is a corporation and is therefore a "person" as defined in the Bankruptcy Code. 11 U.S.C. § 101(41).

41. The Bankruptcy Code defines the term "foreign representative" as "a person . . . authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor's assets or affairs or to act as a representative of such foreign proceeding." 11 U.S.C. § 101(24). The Receiver was appointed as receiver in the Receivership Proceeding. Under the Receivership Order, the BIA, and the Judicature Act, the Receiver is responsible for administering and monetizing the Debtors' assets and to act as their representative by, *inter alia*, winding down the Debtors' business, liquidating assets, and distributing funds to all creditors

entitled to such distribution. Accordingly, the Receiver is a "foreign representative" and is authorized by the Receivership Order to act in such capacity.

The Procedural Requirements of Section 1515 Are Met

42. The final prerequisite to recognition under section 1517 is that the petition satisfies the procedural requirements of section 1515. These cases were commenced by a foreign representative by filing the Petitions. 11 U.S.C. § 1515(a). The Petitions are each accompanied by a copy of the Receivership Order, which is "a certified copy of the decision commencing [the] foreign proceeding and appointing the foreign representative." 11 U.S.C. § 1515(b)(1). The Petitions are also accompanied by the Statement of Foreign Proceedings filed concurrently therewith, which constitutes "a statement identifying all foreign proceedings with respect to the debtor that are known to the foreign representative." 11 U.S.C. § 1515(c). Also filed with the Petitions is the Statement of Foreign Representative setting forth (a) a corporate ownership statement containing the information described in Bankruptcy Rule 7007.1, (b) a list containing the names and addresses of all persons or bodies authorized to administer the Receivership Proceeding, all parties to litigation pending in the United States in which a Debtor is a party as at the date hereof, and all entities against whom provisional relief is being sought under section 1519 of the Bankruptcy Code. Fed. R. Bankr. P. 1007(a)(4).

43. Each of the prerequisites to recognition under Section 1517 has been met. Accordingly, the Receiver respectfully requests that this Court grant recognition of the Receivership Proceeding as the foreign main proceeding in respect of the Debtors, or in the alternative as a foreign main proceeding of the Canadian Debtors and a foreign non-main proceeding in respect of Kodiak USA, and recognition of the Receiver as the Debtors' foreign representative.

44. It is imperative that no ambiguity exists and that the Canadian Orders apply in full in the Chapter 15 Cases so that the Debtors' United States assets may be administered efficiently and effectively by the Canadian Court, with the assistance of this Court. Accordingly, the Receiver requests, in furtherance of recognition of the Receivership Proceeding, that this Court give full force and effect to the Canadian Orders.

b. Additional Relief Under Section 1521 Is Necessary and Appropriate

45. "[W]here necessary to effectuate the purpose of [chapter 15] and to protect the assets of the debtor or the interests of creditors, the court may, at the request of the foreign representative, grant any appropriate relief." 11 U.S.C. § 1521(a) (emphasis added). Such relief may include, "entrusting the administration or realization of all or part of the debtor's assets within the territorial jurisdiction of the United States to the foreign representative," "extending relief granted under section 1519(a)" and, except for certain avoidance provisions, "any additional relief that may be available to a trustee. . . ." 11 U.S.C. § 1521(a)(5, 6 and 7).

46. The ultimate goal of the Receiver is to preserve and maximize realization on the assets of the Debtors for the benefit of their creditors. The purpose of this chapter 15 proceeding is to effectuate that goal.

47. The Receiver continues to investigate whether there are other United States assets or creditors of the Debtors, including employees, customers and suppliers. Currently, the Receiver has limited knowledge of the activities conducted by the Debtors and whether there are additional assets, operations or creditors in the United States.

48. The relief that may be granted under section 1521 of the Bankruptcy Code includes (i) "entrusting the administration or realization of all or part of the debtor's assets within the territorial jurisdiction of the United States to the foreign representative." 11 U.S.C. § 1521(a)(5). Accordingly, the Receiver respectfully submits that authorizing and directing the

turnover of the assets of the Debtors is appropriate under the circumstances pursuant to sections 1521(a)(5)–(a)(7).

49. Additionally, upon recognition, the court may, "at the request of the foreign representative, entrust the distribution of all or part of the debtor's assets located in the United States to the foreign representative," provided that the court is satisfied that the interests of creditors in the United States are sufficiently protected. 11 U.S.C. § 1521(b). Here, the Receiver is actively investigating the Debtors' United States operations to ensure that all creditors are being treated equitably. Consequently, the Receiver respectfully submits that pursuant to section 1521(b) and at its request, the Court should authorize and direct the turnover of assets for distribution through the Receivership Proceeding.

50. Finally, sections 1521(a)(5)–(a)(7) permit the Court, upon recognition, to require any third parties holding assets of the Debtors in the United States to deliver them to the Receiver. In addition, sections 542 and 543 of the Bankruptcy Code require that any person or entity, including a trustee or custodian, deliver to the foreign representative, and account for, such property or the value of the Debtors' property. Consequently, the Receiver respectfully submits that, pursuant to sections 1521(a)(5–7), 542 and 543, the Court may and should require any person or entity holding assets of the Debtors in the United States to deliver them to the Receiver.

C. Recognition of the Receivership Proceeding and the Additional Relief Requested Is Consistent with Public Policy

51. Pursuant to section 1506 of the Bankruptcy Code, even if the requirements for recognition provided in section 1517 of the Bankruptcy Code are satisfied, recognition can nevertheless be denied where it would be "manifestly contrary to the public policy of the United States." 11 U.S.C. § 1506. This "public policy" exception has been narrowly construed to apply to only those "matters of fundamental importance to the [United States]." *See, e.g., In re*

Ephedra Prods. Liab. Litig., 349 B.R. 333, 336 (S.D.N.Y. 2006) (quoting H.R. Rep. No. 109-31(I) at 109, as reprinted in 2005 USCCAN 88, 172, and United Nations General Assembly, Guide to Enactment of the UNCITRAL Model Law on Cross-Border Insolvency, ¶ 89, U.N. Doc. A/CN.9/442 (1997)).

52. Here, nothing regarding the recognition of the Receivership Proceeding contravenes United States policy. Indeed, the international coordination of the liquidation of the Debtors' assets will provide an efficient and fair process to all parties in interest while promoting comity and cross-border cooperation. Accordingly, Section 1506 of the Bankruptcy Code presents no barrier to entry of the Provisional Relief Order and the Recognition Order.

53. Moreover, the policy and principles of international comity will be furthered by recognition of the Receivership Proceeding and enforcement of the Canadian Orders. At paragraph 28 of the Receivership Order, the Canadian Court specifically requests the aid and assistance of this Court in giving effect to the Initial Order. Additionally, at paragraph 29 of the Receivership Order, the Canadian Court specifically authorizes and empowers the Receiver to (i) apply to the United States Bankruptcy Court for or otherwise pursue relief under chapter 15 of the Bankruptcy Code, and (ii) act as a representative in respect of the within any such chapter 15 proceedings.

54. Finally, numerous bankruptcy courts in this and other districts have granted relief similar to the general relief requested in this Motion. *See, e.g., In re ATK Oilfield Transportation Inc.*, Case No. 16-70042 (RBK) (Bankr. W.D. Tex. April 20, 2016); *In re Ho Seok Lee*, 348 B.R. 799 (Bankr. W.D. Wash. 2006); *In re Angiotech Pharm., Inc.*, Case No. 11-10269 (KG) (Bankr. D. Del. Feb. 22. 2011); *In re Mega Brands Inc.*, Case No. 10-10485 (CSS) (Bankr. D. Del. Mar. 23, 2010); *In re EarthRenew IP Holdings, LLC*, Case No. 10-13363 (Bankr. D. Del Oct. 22, 2010); *In re Atlas Shipping A/S*, Case No. 09-10314 (MG) (Bankr. S.D.N.Y. Jan. 27, 2009); *In re*

Biltrite Rubber (1984), Inc., Case No. 09-31432 (MAW) (Bankr. N.D. Ohio Apr. 2, 2009). The Receiver submits that such relief is similarly appropriate in this instance.

NOTICE

55. The Debtors have been informally notified of the filing of the Chapter 15 Cases and the relief sought therein. The Receiver proposes to notify all creditors and interested parties of the filing of the Chapter 15 Petitions and the Receiver's request for entry of the Provisional Relief Order and the Recognition Order in the form and manner set forth in the *Motion to Approve Order (I) Shortening Notice and Scheduling an Emergency Hearing on Verified Petition and Motion for Provisional and Final Relief for Recognition of a Foreign Proceeding; (II) Scheduling a Hearing on Chapter 15 Petitions for Recognition and Joint Administration Motion; and (III) Specifying Form and Manner of Service of Notice of Filing of Petitions and Other Pleadings* (the "Notice Motion").

56. As soon as practicable after the filing of this Motion, the Receiver will serve on the Master Service List, as defined in the Notice Motion, copies of all pleadings filed on the date hereof, the agenda for the hearing to consider the provisional relief requested herein, and the agenda for the hearing to consider the final relief requested herein. In light of the urgent nature of the provisional relief requested herein, the Receiver submits that no other or further notice of this Motion is necessary or required in relation to such relief.

57. The Receiver submits that notice of the hearing to consider the final relief requested herein in accordance with the Notice Motion complies with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules, and no other or further notice of this Motion is necessary or required in relation to such relief.

NO PRIOR REQUEST

58. No prior motion or application for the relief requested herein has been made to this or any other Court.

CONCLUSION

WHEREFORE, for the reasons set forth herein and in the McCulloch Declaration, the Receiver respectfully requests that the Court, (a) enter an order in the form of the Provisional Relief Order, (b) enter an order in the form of the Recognition Order or, in the alternative, enter the Recognition Order, (c) declare the Motion to satisfy the requirements of Local Rule 9013, if applicable, and (d) grant any such other and further relief as this Court deems just and proper.

Dated: March 27, 2019

/s/ Oscar N. Pinkas

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Counsel for Ernst & Young Inc., in its capacity as receiver for the Debtors

VERIFICATION

Dan McCulloch hereby declares:

1. I am a Vice President at the firm Ernst & Young Inc., the court-appointed receiver in the Canadian Receivership Proceeding of Kodiak Services Partnership, Kodiak Wireline Services Ltd., Kodiak Energy Solutions Ltd., Kodiak Tools Ltd., 1623360 Alberta Ltd., and Kodiak Services USA, Inc. (collectively, "Kodiak").

2. I have read the foregoing Petition and Motion and I am informed and believe the factual allegations contained therein are true and correct to the best of my knowledge, information, and belief.

3. I verify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 27th day of March, 2019
Edmonton, Alberta

Dan McCulloch of Ernst & Young Inc., in its capacity as receiver for Kodiak

EXHIBIT A

Proposed Provisional Relief Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
MIDLAND DIVISION

In re: KODIAK SERVICES USA, INC., Debtor in Foreign Proceeding.	Chapter 15 Case No. ____-_____ (___) Recognition Request Pending
In re: KODIAK SERVICES PARTNERSHIP, Debtor in Foreign Proceeding.	Chapter 15 Case No. ____-_____ (___) Recognition Request Pending
In re: KODIAK WIRELINE SERVICES LTD., Debtor in Foreign Proceeding.	Chapter 15 Case No. ____-_____ (___) Recognition Request Pending
In re: KODIAK ENERGY SOLUTIONS LTD., Debtor in Foreign Proceeding.	Chapter 15 Case No. ____-_____ (___) Recognition Request Pending
In re: KODIAK TOOLS LTD., Debtor in Foreign Proceeding.	Chapter 15 Case No. ____-_____ (___) Recognition Request Pending

In re: 1623360 ALBERTA LTD., Debtor in Foreign Proceeding.[1]	Chapter 15 Case No. ____-_____ (___) Recognition Request Pending

ORDER GRANTING PROVISIONAL RELIEF FOR RECOGNITION OF A FOREIGN PROCEEDING PURSUANT TO 11 U.S.C. §§ 105(a), 1517, 1519, 1520, AND 1521

Upon consideration of the motion (the "Motion")[2] of Ernst & Young Inc. as receiver (the "Receiver"), in its capacity as the putative foreign representative for the above-captioned debtors (collectively, the "Debtors" or "Kodiak"), in a proceeding (the "Receivership Proceeding") under Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and Section 13(2) of the *Judicature Act*, RSA 2000 c J-2, as amended (the "Judicature Act") before the Court of Queen's Bench of Alberta (the "Canadian Court"), pursuant to sections 105(a), 1517, 1519, 1520 and 1521 of title 11 of the United States Code (the "Bankruptcy Code") for: (a) entry of a provisional order (the "Provisional Relief Order") applying sections 1519(a), 362 and 365(e) (but not any other subsection of Section 365, or Section 365 generally) of the Bankruptcy Code in the above-captioned chapter 15 cases (the "Chapter 15 Cases") and granting related relief on an interim basis, pursuant to sections 1519(a)(1)–(a)(3), 1521(a)(3), 1521(a)(5)–(a)(7), 542, 543,and 105(a) of the Bankruptcy Code; (b) entry of a final order (the "Recognition Order" or, in the alternative, the "Alternative Recognition Order") after a notice and a hearing (i) granting the petitions in these cases and,

[1] The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: Kodiak Services USA, Inc. (0169) ("Kodiak USA"), Kodiak Services Partnership (9809) ("Kodiak Partnership"), Kodiak Wireline Services Ltd. (2948) ("Kodiak Wireline"), Kodiak Energy Solutions Ltd. (2892) ("Kodiak Solutions"), Kodiak Tools Ltd. (3099) ("Kodiak Tools"), and 1623360 Alberta Ltd. (1045) ("162 Alberta", collectively with Kodiak Partnership, Kodiak Wireline, Kodiak Solutions, and Kodiak Tools, the "Canadian Debtors"). The Debtors' headquarters is located at #2230, 13 Mission Avenue, St. Alberta, Alberta. Kodiak's principal place of business in the US is located at its leased premises in Midland, Texas.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion

under section 1517 of the Bankruptcy Code, recognizing the Receivership Proceeding as a "foreign main proceeding" or, in the alternative, recognizing the Receivership Proceeding as a "foreign main proceeding" with respect to the Canadian Debtors (as defined below) and a "foreign non-main proceeding" with respect to Kodiak USA (as defined below), and (ii) giving full force and effect in the United States to any and all orders that have been or will be made or entered in the Receivership Proceeding, including without limitation, the Receivership Order (as defined below) and any forthcoming final order approving the sale of Kodiak's business and/or assets (collectively, the "Canadian Orders"), including any extensions or amendments thereof authorized by the Canadian Court, (c) declaring that the Motion satisfies any applicable requirements under Local Rule 9013, and (d) granting such other and further relief as this Court deems just and proper, including, as appropriate, under sections 1520 and 1521 of the Bankruptcy Code; and upon the McCulloch Declaration; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of the Chapter 15 Cases and the Motion in this District is proper pursuant to 28 U.S.C. § 1410(1); and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be given under the circumstances; and upon the record of the hearing on the Motion; and the Court having found and determined that the relief sought in the Motion is consistent with the purpose of chapter 15 of the Bankruptcy Code and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. There is a substantial likelihood that the Receiver will be able to demonstrate that the Debtors are subject to a foreign main proceeding or, in the alternative, that the Canadian Debtors are subject to a foreign main proceeding and Kodiak USA is subject to a foreign non-main proceeding, and that the Chapter 15 Cases were properly commenced by a properly appointed foreign representative.

B. The commencement or continuation of any action or proceeding in the United States with respect to the Debtors or any of the Debtors' assets or proceeds thereof should be enjoined pursuant to sections 105(a), 362, and 1519 of the Bankruptcy Code to permit the expeditious and economical liquidation of the Debtors' assets in the Receivership Proceeding, and the relief requested either will not cause an undue hardship, or any hardship to parties in interest is outweighed by the benefits of the relief requested in the Motion.

C. Unless the Debtors' assets located in the United States are entrusted to the Receiver for administration, realization or protection, there is a material risk that the Debtors' assets could be jeopardized and the Receiver will be unable to fulfill its duties pursuant to the terms of the Receivership Order or any other Canadian Orders for the benefit of the Debtors' creditors in the United States and Canada.

D. Unless the automatic stay is applied in these Chapter 15 Cases, there is a material risk that the Debtors' assets in the United States could be subject to efforts by creditors or other parties in interest to control or possess such assets. Such acts could: (a) interfere with and cause harm to the jurisdictional mandate of this Court under Chapter 15 of the Bankruptcy Code; (b) interfere with and cause harm to the Receiver's efforts to monetize the Debtors' assets; and (c) undermine the Receiver's efforts to achieve an equitable result for the benefit of all of the Debtors' creditors. Accordingly, there is a material risk that the Debtors' creditors may suffer immediate and irreparable injury for which they will have no adequate remedy at law and therefore it is necessary that the Court enter this Provisional Relief Order.

E. Without the protection of section 365(e) of the Bankruptcy Code, there is a material risk that counterparties to certain of the Debtors' contracts, specifically the Midland Lease, may take the position that the commencement of the Receivership Proceeding or the Chapter 15 Cases authorizes them to terminate such contracts or accelerate obligations thereunder. Such termination or acceleration will severely impair the Receiver's realization efforts and result in irreparable damage to the value of the Debtors' assets and business and substantial harm to the Debtors' creditors and other parties in interest.

F. The Receiver has demonstrated that no injury will result to any party that is greater than the harm to the value of the Debtors' business, assets, and property in the absence of the requested relief.

G. The interests of the public will be served by this Court's entry of this Provisional Relief Order.

Based on the foregoing findings of fact and conclusions of law,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED to the extent provided herein.

2. The Motion meets the requirements of Local Rule 9013, to the extent applicable.

3. Pending disposition of the Chapter 15 Petitions and the Motion for a final order (the "Recognition Date"), pursuant to sections 1519(a)(1)–(a)(3), 1521(a)(3) and 1521(a)(5)–(a)(7) of the Bankruptcy Code, any right the Debtors' may claim to transfer, encumber or otherwise dispose of any assets of the Debtors located in the United States is suspended.

4. Section 362 of the Bankruptcy Code is applicable to the Debtors and the property of the Debtors within the territorial jurisdiction of the United States in the Chapter 15 Cases.

5. Section 365(e) (but not any other subsection of Section 365, or Section 365 generally) of the Bankruptcy Code is applicable to the Debtors in the Chapter 15 Cases. Any provision of the type described in section 365(e)(1) is unenforceable against the Debtors until such time as an order disposing of the Chapter 15 Petitions is entered.

6. Upon entry of this Provisional Relief Order no creditor or counterparty affected by the Receivership Proceeding shall have the right to make, commence, or enforce any rights, claims or remedies in respect of or arising from any obligations under their respective agreements, guarantees or security documents to which the Debtors are party.

7. Nothing herein shall enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding against any party to the extent set forth in sections 362(b) and 1521(d) of the Bankruptcy Code.

8. The Receiver, in connection with its appointment as the foreign representative, is entitled to the protections and rights available pursuant to sections 1519(a)(1), (a)(2) and (a)(3) of the Bankruptcy Code, to the extent such relief is not inconsistent with the Canadian Orders.

9. Pursuant to Rule 65(b) of the Federal Rules of Civil Procedure, made applicable to these proceedings pursuant to Bankruptcy Rule 7065, no notice to any person is required prior to entry and issuance of this Provisional Relief Order. The security provisions of Rule 65(c) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7065, are waived.

10. Notice of: (a) the filing of the Chapter 15 Petitions and the Motion; (b) this Court's entry of this Provisional Relief Order; (c) the deadline to object to this Court's entry of the Recognition Order; and (d) the hearing for this Court to consider the Chapter 15 Petitions and entry of the Recognition Order, shall be served in accordance with this Court's *Order (I) Shortening Notice and Scheduling an Emergency Hearing on Verified Petition and Motion for Provisional and Final Relief for Recognition of a Foreign Proceeding; (II) Scheduling a Hearing*

on Chapter 15 Petitions for Recognition and Joint Administration Motion; and (III) Specifying Form and Manner of Service of Notice of Filing of Petitions and Other Pleadings (the "Notice Order"). Service of the Chapter 15 Petitions, the Motion and this Provisional Relief Order (collectively, the "Petition Documents") in accordance with the Notice Order shall constitute due and sufficient notice and service of the Petition Documents and any relief of this Court associated therewith on all interested parties.

11. The Petition Documents shall also be made publicly available in accordance with the Notice Order.

12. A hearing to consider entry of the Recognition Order (the "Hearing") shall be held on April __ at___:___ __.m., Central Time, or as soon thereafter as counsel shall be heard, in Room ___ of the United States Bankruptcy Court, Homer J. Thornberry Federal Judicial Bldg., 903 San Jacinto Blvd., Suite 332, Austin, Texas 78701.

13. Any responses or objections to the Chapter 15 Petitions or the entry of the Recognition Order must be in writing describing the basis therefore and the nature and extent of the respondent's interests in the Debtors or their assets and shall be filed with the Court electronically or with the Clerk of the United States Bankruptcy Court, Homer J. Thornberry Federal Judicial Bldg., 903 San Jacinto Blvd., Suite 332, Austin, Texas 78701, and served upon (i) counsel for the Receiver as foreign representative Dentons US LLP, 1221 Avenue of the Americas, New York, NY, 10020, Attn: Lauren Macksoud (ii) the Canadian Debtors at 2230, 13 Mission Avenue, St. Albert, AB T8N 7A2 (iii) counsel for Kodiak USA McDowell Hetherington LLP 1001 Fannin, Suite 2700 Houston, TX, 77002, attn: Megan Young-John; (iv) counsel for ATB, Norton Rose Fulbright Suite 3700 400 3rd Avenue SW, Calgary, Alberta T2P 4H2 attn: Howard Gorman, QC; (v) counsel for EDC, Tim Sullivan 150 Slater Street, Ottawa, Ontario K1A 1K3; (vi) counsel for the Schafers and Boddez, Duncan Craig LLP Suite 2800,

10060 Jasper Avenue Edmonton, Alberta, T5J 3V9, Attn: Russell Rimer; (vii) Joseph Hickey 10 West Beconvale Circle, Spring, Texas, 77382; (viii) the Office of the United States Trustee, 903 San Jacinto Blvd, Room 230, Austin, Texas 78701; (ix) the Attorney General of Texas; (x) the Attorney General of the United States; (xi) the Internal Revenue Service; and (xii) all parties who have requested notice; so as to be received on or before 4:00 p.m. (prevailing Central Time) on April __ at __:___ __.m., Central Time.

14. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) this Provisional Relief Order shall be effective immediately and enforceable upon its entry and shall remain effective until either (i) entry of an order recognizing the Receivership Proceeding and, pursuant to sections 1521(a)(5)–(a)(7), extending the relief granted herein, or (ii) entry of an order denying recognition to the Receivership Proceeding; (b) the Receiver is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Provisional Relief Order; and (c) the Receiver 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 Provisional Relief Order.

15. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Provisional Relief Order.

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EXHIBIT B

Proposed Recognition Order

(Recognizing Receivership Proceeding as Foreign Main Proceeding With Respect to All Debtors)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS

In re:	:	Chapter 15
KODIAK SERVICES USA, INC., *et al.*,	:	Case No. __-_____ (___)
Debtors.[1]	:	Jointly Administered

ORDER GRANTING FINAL RELIEF FOR
RECOGNITION OF A FOREIGN MAIN PROCEEDING
PURSUANT TO 11 U.S.C. §§ 105(a), 1517, 1519, 1520, AND 1521

Upon consideration of the motion (the "Motion")[2] of Ernst & Young Inc. as receiver (the "Receiver"), in its capacity as the authorized foreign representative for the above-captioned debtors (collectively, the "Debtors" or "Kodiak") in a proceeding (the "Receivership Proceeding") under Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and Section 13(2) of the *Judicature Act*, RSA 2000 c J-2, as amended (the

[1] The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: Kodiak Services USA, Inc. (0169) ("Kodiak USA"), Kodiak Services Partnership (9809) ("Kodiak Partnership"), Kodiak Wireline Services Ltd. (2948) ("Kodiak Wireline"), Kodiak Energy Solutions Ltd. (2892) ("Kodiak Solutions"), Kodiak Tools Ltd. (3099) ("Kodiak Tools"), and 1623360 Alberta Ltd. (1045) ("162 Alberta", collectively with Kodiak Partnership, Kodiak Wireline, Kodiak Solutions, and Kodiak Tools, the "Canadian Debtors"). The Debtors' headquarters is located at #2230, 13 Mission Avenue, St. Alberta, Alberta. Kodiak's principal place of business in the US is located at its leased premises in Midland, Texas.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion

"Judicature Act") before the Court of Queen's Bench of Alberta (the "Canadian Court"), pursuant to sections 105(a), 1517, 1519, 1520 and 1521 of title 11 of the United States Code (the "Bankruptcy Code") for: (a) entry of a provisional order (the "Provisional Relief Order") applying sections 1519(a), 362 and 365(e) of the Bankruptcy Code in the above-captioned chapter 15 cases (the "Chapter 15 Cases") and granting related relief on an interim basis, pursuant to sections 1519(a)(1)–(a)(3), 1521(a)(3), 1521(a)(5)–(a)(7), 542, 543,and 105(a) of the Bankruptcy Code; (b) entry of a final order (the "Recognition Order" or, in the alternative, the "Alternative Recognition Order") after a notice and a hearing (i) granting the petitions in these cases and, under section 1517 of the Bankruptcy Code, recognizing the Receivership Proceeding as a "foreign main proceeding" or, in the alternative, recognizing the Receivership Proceeding as a "foreign main proceeding" with respect to the Canadian Debtors (as defined below) and a "foreign non-main proceeding" with respect to Kodiak USA (as defined below), and (ii) giving full force and effect in the United States to any and all orders that have been or will be made or entered in the Receivership Proceeding, including without limitation, the Receivership Order (as defined below) and any forthcoming final order approving the sale of Kodiak's business and/or assets (collectively, the "Canadian Orders"), including any extensions or amendments thereof authorized by the Canadian Court; (c) declaring that the Motion satisfies any applicable requirements under Local Rule 9013; and (d) granting such other and further relief as this Court deems just and proper, including, as appropriate, under sections 1520 and 1521 of the Bankruptcy Code; and upon the McCulloch Declaration; and upon the Provisional Relief Order previously entered by this Court; and the Court having considered the any objections and replies; and any objections to the Motion that have not been withdrawn or resolved having been overruled; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28

U.S.C. §§ 157 and 1334; and it appearing that venue of the Chapter 15 Cases and the Motion in this District is proper pursuant to 28 U.S.C. § 1410(1); and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be given under the circumstances; and upon the record of the hearing on the Motion; and the Court having found and determined that the relief sought in the Motion is consistent with the purpose of chapter 15 of the Bankruptcy Code and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. The Receiver is a person within the meaning of section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of each of the Debtors within the meaning of section 101(24) of the Bankruptcy Code.

B. The Chapter 15 Cases were properly commenced pursuant to Sections 1504 and 1515 of the Bankruptcy Code.

C. The Chapter 15 Petitions meet the requirements of Section 1515 of the Bankruptcy Code.

D. The Receivership Proceeding is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

E. The Receivership Proceeding in the Canadian Court is in the location that is the Debtors' center of main interests and constitutes a foreign main proceeding pursuant to

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.

F. The Receiver as a foreign representative pursuant to Section 101(24) of the Bankruptcy Code and is entitled, to the extent not inconsistent with the Receivership Order, to all of the relief provided pursuant to Section 1520 on the Bankruptcy Code.

G. The relief granted herein is necessary and appropriate, in the interest of the public and international comity, consistent with the public policy of the United States, warranted pursuant to sections 1520 and 1521 of the Bankruptcy Code, and will not cause any hardship to any parties in interest that is not outweighed by the benefits of the relief granted.

Based on the foregoing findings of fact and conclusions of law,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.

2. The Motion meets the requirements of Local Rule 9013, to the extent applicable.

3. The Chapter 15 Petitions are granted. The Receivership Proceeding is hereby recognized as a "foreign main proceeding" pursuant to Section 1517(b)(1) of the Bankruptcy Code and orders that have been or will be made or entered in the Receivership Proceeding are hereby recognized for all purposes under Chapter 15 of the Bankruptcy Code, regardless of whether expressly discussed below.

4. The Receiver is recognized as the foreign representative (as defined in Section 101(24) of the Bankruptcy Code) of the Debtors.

5. The Canadian Orders, including any extensions or amendments thereto, are hereby enforced and recognized on a final basis and given full force and effect in the United States.

6. All relief afforded a foreign main proceeding pursuant to section 1520 of the Bankruptcy Code is hereby granted without limitation. Specifically, the automatic stay provisions of section 362 and the provisions of section 365(e) (but not any other subsection of Section 365, or Section 365 generally) of the Bankruptcy Code apply with respect to the Debtors and any property of the Debtors that is within the territorial jurisdiction of the United States throughout the duration of the Chapter 15 Cases or until otherwise ordered by this Court.

7. Upon entry of this Order, no creditor or counterparty affected by the Receivership Proceeding shall have the right to make, commence, or enforce any rights, claims or remedies in respect of or arising from any obligations under their respective agreements, guarantees or security documents to which the Debtors are party.

8. Pursuant to Sections 1521(a)(5)–(a)(7) of the Bankruptcy Code, all other prior relief granted pursuant to the Provisional Relief Order pursuant to Section 1519(a) of the Bankruptcy Code is hereby extended on a final basis, specifically:

a. any right the Debtors may claim to transfer, encumber or otherwise dispose of any assets of the Debtors located in the United States is suspended;

b. Section 362 of the Bankruptcy Code is applicable to the Debtors and the property of the Debtors within the territorial jurisdiction of the United States in the Chapter 15 Cases;

c. Section 365(e) (but not any other subsection of Section 365, or Section 365 generally) of the Bankruptcy Code is applicable to the Debtors in the Chapter 15 Cases. Any provision of the type described in section 365(e)(1) is unenforceable against the Debtors until such time as an order disposing of the Chapter 15 Petitions is entered;

d. no creditor or counterparty affected by the Receivership Proceeding has the right to make, commence, or enforce any rights, claims or remedies in respect of or arising from any obligations under their respective agreements, guarantees or security documents to which the Debtors are party; and

e. the Receiver, in connection with its appointment as the foreign representative, is entitled to the protections and rights available pursuant to Sections 1519(a)(1), (a)(2) and (a)(3) of the Bankruptcy Code, to the extent such relief is not inconsistent with the Canadian Orders.

9. Any person or entity in possession of property of the Debtors in the United States, including as a trustee or a custodian, shall turn over to the Receiver and account for such property or its value.

10. Nothing herein shall enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding against any party to the extent set forth in Sections 362(b) or 1521(d) of the Bankruptcy Code.

11. No action taken by the Receiver, the Debtors, or each of their successors, agents, representatives, advisors, or counsel, in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with the Receivership Proceeding, this Recognition Order, or the Chapter 15 Cases or any adversary proceeding therein, or any further proceeding commenced thereunder, shall be deemed to constitute a waiver of the immunity afforded such person under sections 306 and 1510 of the Bankruptcy Code.

12. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) this Recognition Order shall be effective immediately and enforceable upon its entry; (b) the Receiver is not subject to any stay in the implementation, enforcement or realization of the relief

granted in this Recognition Order; and (c) the Receiver 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 Recognition Order.

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

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EXHIBIT C

Proposed Recognition Order

(Recognizing Receivership Proceeding as Foreign Main Proceeding With Respect to Canadian Debtors and as Foreign Non-Main Proceeding With Respect to U.S. Debtors)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
MIDLAND DIVISION

In re:	Chapter 15
KODIAK SERVICES USA, INC., *et al.*,	Case No. ____-_____ (___)
Debtors. [1]	Jointly Administered

ORDER GRANTING FINAL RELIEF FOR RECOGNITION OF A FOREIGN MAIN PROCEEDING AND RECOGNITION OF A FOREIGN NON-MAIN PROCEEDING PURSUANT TO 11 U.S.C. §§ 105(a), 1517, 1519, 1520, AND 1521

Upon consideration of the motion (the "Motion")[2] of Ernst & Young Inc. as receiver (the "Receiver"), in its capacity as the authorized foreign representative for the above-captioned debtors (collectively, the "Debtors" or "Kodiak"), in a proceeding (the "Receivership Proceeding") under Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as

[1] The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: Kodiak Services USA, Inc. (0169) ("Kodiak USA"), Kodiak Services Partnership (9809) ("Kodiak Partnership"), Kodiak Wireline Services Ltd. (2948) ("Kodiak Wireline"), Kodiak Energy Solutions Ltd. (2892) ("Kodiak Solutions"), Kodiak Tools Ltd. (3099) ("Kodiak Tools"), and 1623360 Alberta Ltd. (1045) ("162 Alberta", collectively with Kodiak Partnership, Kodiak Wireline, Kodiak Solutions, and Kodiak Tools, the "Canadian Debtors"). The Debtors' headquarters is located at #2230, 13 Mission Avenue, St. Alberta, Alberta. Kodiak's principal place of business in the US is located at its leased premises in Midland, Texas.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion

amended (the "BIA") and Section 13(2) of the *Judicature Act*, RSA 2000 c J-2, as amended (the "Judicature Act") before the Court of Queen's Bench of Alberta (the "Canadian Court"), pursuant to sections 105(a), 1517, 1519, 1520 and 1521 of title 11 of the United States Code (the "Bankruptcy Code") for: (a) entry of a provisional order (the "Provisional Relief Order") applying sections 1519(a), 362 and 365(e) (but not any other subsection of Section 365, or Section 365 generally) of the Bankruptcy Code in the above-captioned Chapter 15 cases (the "Chapter 15 Cases") and granting related relief on an interim basis, pursuant to sections 1519(a)(1)–(a)(3), 1521(a)(3), 1521(a)(5)–(a)(7), 542, 543,and 105(a) of the Bankruptcy Code; (b) entry of a final order (the "Recognition Order" or, in the alternative, the "Alternative Recognition Order") after a notice and a hearing (i) granting the petitions in these cases and, under section 1517 of the Bankruptcy Code, recognizing the Receivership Proceeding as a "foreign main proceeding" or, in the alternative, recognizing the Receivership Proceeding as a "foreign main proceeding" with respect to the Canadian Debtors (as defined below) and a "foreign non-main proceeding" with respect to Kodiak USA (as defined below), and (ii) giving full force and effect in the United States to any and all orders that have been or will be made or entered in the Receivership Proceeding, including without limitation, the Receivership Order (as defined below) and any forthcoming final order approving the sale of Kodiak's business and/or assets (collectively, the "Canadian Orders"), including any extensions or amendments thereof authorized by the Canadian Court, (c) declaring that the Notice Motion satisfies any applicable requirements under Local Rule 9013; and (d) granting such other and further relief as this Court deems just and proper, including, as appropriate, under sections 1520 and 1521 of the Bankruptcy Code; and upon the McCulloch Declaration; and upon the Provisional Relief Order previously entered by this Court; and the Court having considered the any objections and replies; and any objections to the Motion that have not been withdrawn or resolved having been overruled; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of the Chapter 15 Cases and the Motion in this District is proper pursuant to 28 U.S.C. § 1410(1); and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be given under the circumstances; and upon the record of the hearing on the Motion; and the Court having found and determined that the relief sought in the Motion is consistent with the purpose of Chapter 15 of the Bankruptcy Code and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. The Receiver is a person within the meaning of Section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of each of the Debtors within the meaning of Section 101(24) of the Bankruptcy Code.

B. The Chapter 15 Cases were properly commenced pursuant to Sections 1504 and 1515 of the Bankruptcy Code.

C. The Chapter 15 Petitions meet the requirements of Section 1515 of the Bankruptcy Code.

D. The Receivership Proceeding is entitled to recognition by this Court pursuant to Section 1517 of the Bankruptcy Code.

E. With respect to the Canadian Debtors, the Receivership Proceeding in the Canadian Court is in the location that is the Canadian Debtors' center of main interests, constitutes a foreign main proceeding pursuant to 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.

F. With respect to Kodiak USA, the Receivership Proceeding in the Canadian Court is in the location where Kodiak USA has an establishment within the meaning of Section 1502(2) of the Bankruptcy Code, constitutes a foreign non-main proceeding pursuant to Section 1502(5) of the Bankruptcy Code and is entitled to recognition as a foreign non-main proceeding pursuant to Section 1517(b)(1) of the Bankruptcy Code.

G. The Receiver as a foreign representative is entitled, to the extent not inconsistent with the Receivership Order, to all of the relief provided pursuant to Section 1520 on the Bankruptcy Code.

H. The relief granted herein is necessary and appropriate, in the interest of the public and international comity, consistent with the public policy of the United States, warranted pursuant to Sections 1520 and 1521 of the Bankruptcy Code, and will not cause any hardship to any parties in interest that is not outweighed by the benefits of the relief granted.

Based on the foregoing findings of fact and conclusions of law,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.

2. The Motion meets the requirements of Local Rule 9013, to the extent applicable.

3. The Chapter 15 Petitions are granted. The Receivership Proceeding is hereby recognized as a "foreign main proceeding" pursuant to Section 1517(b)(1) of the Bankruptcy Code with respect to the Canadian Debtors. The Receivership Proceeding is hereby recognized as a "foreign non-main proceeding" pursuant to Section 1517(b)(2) of the Bankruptcy Code with respect to Kodiak USA. Orders that have been or will be made or entered in the Receivership

Proceeding are hereby recognized for all purposes under Chapter 15 of the Bankruptcy Code, regardless of whether expressly discussed below.

4. The Receiver is recognized as the foreign representative (as defined in Section 101(24) of the Bankruptcy Code) of the Debtors.

5. The Canadian Orders, including any extensions or amendments thereto, are hereby enforced and recognized on a final basis and given full force and effect in the United States.

6. All relief afforded a foreign main proceeding pursuant to Section 1520 of the Bankruptcy Code is hereby granted without limitation. To the extent not automatically conferred upon certain of the Debtors, all relief afforded a foreign main proceeding pursuant to Section 1520 of the Bankruptcy Code is hereby granted without limitation through the operation of Section 1521 of the Bankruptcy Code. Specifically, the automatic stay provisions of Section 362 and the provisions of Section 365(e) (but not any other subsection of Section 365, or Section 365 generally) of the Bankruptcy Code apply with respect to the Debtors and any property of the Debtors that is within the territorial jurisdiction of the United States throughout the duration of the Chapter 15 Cases or until otherwise ordered by this Court.

7. Upon entry of this Order no creditor or counterparty affected by the Receivership Proceeding shall have the right to make, commence, or enforce any rights, claims or remedies in respect of or arising from any obligations under their respective agreements, guarantees or security documents to which the Debtors are party.

8. Pursuant to Sections 1521(a)(5)–(a)(7) of the Bankruptcy Code, all other prior relief granted pursuant to the Provisional Relief Order pursuant to Section 1519(a) of the Bankruptcy Code is hereby extended on a final basis, specifically:

a. any right the Debtors may claim to transfer, encumber or otherwise dispose of any assets of the Debtors located in the United States is suspended;

b. Section 362 of the Bankruptcy Code is applicable to the Debtors and the property of the Debtors within the territorial jurisdiction of the United States in the Chapter 15 Cases;

c. Section 365(e) (but not any other subsection of Section 365, or Section 365 generally) of the Bankruptcy Code is applicable to the Debtors in the Chapter 15 Cases. Any provision of the type described in Section 365(e)(1) is unenforceable against the Debtors until such time as an order disposing of the Chapter 15 Petitions is entered;

d. no creditor or counterparty affected by the Receivership Proceeding has the right to make, commence, or enforce any rights, claims or remedies in respect of or arising from any obligations under their respective agreements, guarantees or security documents to which the Debtors are party; and

e. the Receiver, in connection with its appointment as the foreign representative, continues to be entitled to the protections and rights available pursuant to sections 1519(a)(1), (a)(2) and (a)(3) of the Bankruptcy Code, to the extent such relief is not inconsistent with the Canadian Orders.

9. Any person or entity in possession of property of the Debtors in the United States, including as a trustee or a custodian, shall turn over to the Receiver and account for such property or its value.

10. Nothing herein shall enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding against any party to the extent set forth in Sections 362(b) or 1521(d) of the Bankruptcy Code.

11. No action taken by the Receiver, the Debtors, or each of their successors, agents, representatives, advisors, or counsel, in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with the Receivership Proceeding, this Recognition Order, or the Chapter 15 Cases or any adversary proceeding therein, or any further proceeding commenced thereunder, shall be deemed to constitute a waiver of the immunity afforded such person under Sections 306 and 1510 of the Bankruptcy Code.

12. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) this Recognition Order shall be effective immediately and enforceable upon its entry; (b) the Receiver is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Recognition Order; and (c) the Receiver 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 Recognition Order.

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

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