

FORM 27
[RULES 6.3 AND 10.52(1)]



Originating Application
\$250

C112592

Nov 30, 2023
COM

COURT FILE NUMBER

2301-15988

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PROCEEDING

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, as amended

AND IN THE MATTER OF THE
COMPROMISE OR ARRANGEMENT OF
WOLVERINE ENERGY AND
INFRASTRUCTURE INC., WOLVERINE
EQUIPMENT INC., WOLVERINE
CONSTRUCTION INC., HD ENERGY
RENTALS LTD., IN-LINE PRODUCTION
TESTING LTD., BHW EMPLOYMENT
SERVICES INC., FLO-BACK EQUIPMENT
INC., LIBERTY ENERGY SERVICES LTD.,
and WESTERN CANADIAN MULCHING LTD.

DOCUMENT

ORIGINATING APPLICATION

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500 Bankers Hall East
855 – 2 Street SW
Calgary, Alberta T2P 4K7

Attention: Michael Selnes/Keely Cameron
Telephone No.: 403-298-3311/3324
Fax No.: 403-265-7219
Client File No.: 089248.00006

NOTICE TO RESPONDENTS:

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

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

Date:	November 30, 2023
Time:	2:00 p.m.
Where:	Calgary Courts Centre
Before:	The Honourable Justice Whitling

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

1. Wolverine Energy And Infrastructure Inc., Wolverine Equipment Inc., Wolverine Construction Inc., HD Energy Rentals Ltd., In-Line Production Testing Ltd., BHW Employment Services Inc., Flo-Back Equipment Inc., Liberty Energy Services Ltd., E-Tec Crane Holding Co., And Western Canadian Mulching Ltd. (collectively, the “**Applicants**” or “**Wolverine Group**”) seek an Initial Order under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (“**CCAA**”), substantially in the form attached hereto as **Schedule "A"**, granting the following relief:
 - (a) declaring service of this Application and its supporting materials good and sufficient, and if necessary, abridging time for notice of the Application to the time actually given;
 - (b) declaring that the Applicants are companies to which the CCAA applies;
 - (c) authorizing the Applicants to carry on business in a manner consistent with the preservation of their business and property;
 - (d) authorizing the Applicants to pay the reasonable expenses incurred by the Applicants in carrying out its business in the ordinary course, including certain expenses incurred prior to the date of the Initial Order;
 - (e) authorizing the Applicants to pay the reasonable fees and disbursements of the Monitor and its counsel, and the Applicant’s professional advisors and legal advisors;

- (f) staying all proceedings, rights and remedies against or in respect of the Applicants or their business or property, or the Monitor (as defined below), except as otherwise set forth in the Initial Order;
- (g) appointing Ernst & Young Inc. as the monitor (the "**Monitor**") of Wolverine Group in these proceedings;
- (h) granting a Directors' Charge and the Administration Charge;
- (i) authorizing the Applicants to file with the Court a plan or plans of compromise and arrangement; and
- (j) providing for a comeback hearing in respect of the relief granted in the Initial Order on December ___, 2023; and
- (k) such further and other relief as this Honourable Court may deem just.

Grounds for making this application:

- 2. Wolverine Energy and Infrastructure Inc. ("**Wolverine Energy**") is incorporated and registered pursuant to the laws of the Province of Alberta, with headquarters located in Calgary, Alberta. It is a public company with its common shares listed on the Toronto Stock Exchange Venture Exchange (the "**TSXV**").

Corporate Structure

- 3. Wolverine Energy is the parent corporation of the other eight (8) Applicants in these proceedings.
- 4. The direct wholly-owned subsidiaries of Wolverine Energy are:
 - (a) Western Canadian Mulching Ltd., a company incorporated under the laws of Alberta;
 - (b) Wolverine Construction Inc., a company incorporated under the laws of Alberta;
 - (c) Liberty Energy Services Ltd., a company incorporated under the laws of Alberta;

- (d) HD Energy Rentals Ltd., a company incorporated under the laws of Alberta;
- (e) In Line Production Testing Ltd., a company incorporated under the laws of Alberta;
- (f) Wolverine Equipment Inc., a company incorporated under the laws of Alberta;
- (g) BHW Employment Services Inc., a company incorporated under the laws of Alberta; and
- (h) Flo-Back Equipment Inc., a company incorporated under the laws of Delaware, United States of America.

The Business

- 5. The Wolverine Group is a diversified energy and infrastructure service provider in Western Canada and the United States. It is in the business of water management, energy rentals and services, environmental clearing and construction production testing, production rentals in Canada, as well as production testing and rentals in the USA.

Cause of Financial Difficulties and Need to Restructure

- 6. The cyclical nature of Wolverine Group's business, along with high interest rates, Wolverine Group's ongoing legal disputes, forest fire-related disruptions and slowing economic conditions have caused Wolverine Group to be in the midst of a liquidity crisis. Currently, Wolverine Group is in its low season, with minimal accounts receivable, and significant secured and unsecured debt. Moreover, these challenges are exacerbated by the additional costs associated with the seasonal increase in work that commences each January.
- 7. Wolverine Group requires the stability of the CCAA proceedings to build up its accounts receivable, which significantly increase each January through March, to re-structure and liquidate its businesses and assets, as necessary, and to prepare and present a plan of arrangement and compromise.

8. The Applicants meet the statutory requirements to be eligible for relief under the CCAA, as the Applicants are insolvent and collectively owe more than \$5,000,000.00 to their creditors.
9. As of November 24, 2023, Wolverine Group had total liabilities of approximately \$92,300,000.00, including close to \$16,630,000 owing to Canadian Western Bank ("CWB"), pursuant to an approximately \$12,810,000 secured line of credit and an approximately \$3,820,000 Export Development Canada ("EDC") loan, close to \$55,000,000 owing to Fiera Private Debt Fund V LP and Fiera Private Debt Fund VI LP ("Fiera"), and a \$10,000,000 loan payable to the Alberta Investment Management Corporation ("AIMCO").
10. Despite efforts to negotiate forbearance agreements with certain of its creditors, it has been unsuccessful.
11. Wolverine Group anticipates that between sales efforts and plans to right size its operations, that it will be able to address the claims of its secured creditors and advance a CCAA plan that will be successful.
12. The grounds set out in the Affidavit of Shannon Ostapovich sworn on November 29, 2023.
13. Wolverine Group relies upon the provisions of the CCAA and the equitable jurisdiction of this Court.
14. Such further and other grounds as counsel for Wolverine Group may advise and this Honourable Court may permit.

Material or evidence to be relied on:

15. The Affidavit of Shannon Ostapovich sworn on November 29, 2023, herein;
16. The Pre-filing Report of the Proposed Monitor, Ernst & Young Inc., filed;
17. Such further and other materials as counsel for the Proposed Monitor or Company may advise and this Honourable Court may permit.

Applicable rules:

18. Part 6, Division 1 of the Alberta *Rules of Court*, Alta Reg 124/2010.

Applicable Acts and regulations:

19. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36;
20. Such further and other Acts or regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

21. None.

How the application is proposed to be heard or considered:

22. Via Webex.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant 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 a reasonable time before the application is to be heard or considered.

SCHEDULE "A"