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COURT FILE NUMBER 2001-09604

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF **HALLIBURTON GLOBAL AFFILIATES HOLDINGS**

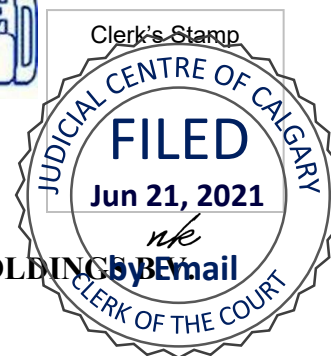
DEFENDANT **RAPTOR RIG LTD.**

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
OSLER, HOSKIN & HARCOURT LLP
Barristers & Solicitors
Brookfield Place, Suite 2700
225 6 Ave SW
Calgary, AB T2P 1N2

Solicitors: Randal Van de Mosselaer
Telephone: (403) 260-7000
Facsimile: (403) 260-7024
Email: RVandemosselaer@osler.com
File Number: 1212842

ENTERED



\$50.00
Justice Ho
COM
June 28, 2021

NOTICE TO THE RESPONDENT

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

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

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

Date: June 28, 2021
Time: 3:00 p.m.
Where: Calgary Courts Centre (by WebEx)
Before: The Honourable Justice B. Ho

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

Remedy claimed or sought:

1. FTI Consulting Canada Inc., in its capacity as Court-appointed receiver (the “**Receiver**”) of Raptor Rig Ltd. (the “**Debtor**”), seeks an Order substantially in the form attached hereto as **Schedules “A” and “B”**:
 - a. declaring that the within Application is properly returnable and that service of this Application on the service list established in these proceedings is deemed good and sufficient;
 - b. authorizing the Receiver to enter into an auction services agreement (the “**Auction Agreement**”) with GD Auctions & Appraisals Inc. (the “**Auctioneer**”) on the terms set out in the VR Rig Auction Proposal dated June 18, 2021 between the Auctioneer and the Receiver, a copy of which is attached to the Second Report of the Receiver, dated June 21, 2021 (the “**Second Report**”);
 - c. authorizing the Auctioneer to conduct an auction in respect of the first Velociraptor Rig and parts related to a second Velociraptor Rig (together, the “**VR Rigs**”) in accordance with the terms of the Auction Agreement (the “**Auction**”);
 - d. notwithstanding the provisions of paragraph 3(1) of the Receivership Order granted in this proceeding by the Honourable Mr. Justice Mah on August 10, 2020 (the “**Receivership Order**”), vesting in the purchaser at such Auction the Debtors’ right, title and interest in and to the VR Rigs (or the components thereof) free and clear of any claims and encumbrances;
 - e. authorizing the Receiver, if the Receiver deems advisable, to assign the Debtor into bankruptcy pursuant to the provisions of section 49 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (“**BIA**”), and amending the Receivership Order as may be necessary to provide the Receiver with such authority;
 - f. providing that the Receiver shall not be disqualified from acting as Trustee in Bankruptcy by reason only of its role as Receiver;

- g. approving the actions, conduct and activities of the Receiver as outlined in the Second Report;
- h. approving the Receiver's Statement of Receipts and Disbursements for the period from August 10, 2020 to June 18, 2021, as set out in the Second Report; and
- i. such further and other relief as counsel may request and this Honourable Court may deem appropriate.

Grounds for making this application:

Sale Process

- 2. Pursuant to the Receivership Order, the Receiver was authorized to, among other things:
 - a. market any or all of the Property (as defined in the Receivership Order), including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - b. apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of liens or encumbrances affecting the Property; and
 - c. engage consultants, appraisers, and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties.
- 3. In accordance with the Receivership Order, the Receiver engaged GD Auctions & Appraisals Inc. and Connect Energy Company (together, the "**Sales Agents**") to assist in completing the sale and solicitation process (the "**Sale Process**"). Since October 2020, the Receiver and the Sales Agents have, among other things: (a) prepared a marketing plan; (b) distributed marketing materials to potentially interested parties, placed advertisements in a number of digital publications (including those published by the Canadian Association of Oilwell Drilling Contractors ("**CAODC**") and the International Association of Drilling Contractors ("**IADC**"), made targeted phone calls to key industry players (including all

known North American drilling contractors), and completed targeted email blasts to members of CAODC and IADC; (c) established a virtual data room and executed non-disclosure agreements with interested parties to allow for access to the virtual data room; (d) provided in-person tours of the assets; and (e) hosted a booth at the virtual Abu Dhabi International Petroleum Exhibition & Conference 2020, the largest drilling conference in the Middle East and Northern Africa.

4. While the Phase I bid deadline was initially scheduled to occur on January 12, 2021, it became apparent to the Receiver and the Sales Agents that, as a result of, among other things, the ongoing COVID-19 pandemic, the Sale Process had not generated sufficient interest and, as a result, the Receiver determined that it was in the best interests of the Debtor's estate to extend the Phase I bid deadline to April 15, 2021 (the "**Bid Deadline**").
5. As at the Bid Deadline, the Receiver had received 6 expressions of interest. The Receiver engaged with the two highest bidders to address overlap in their respective bids in order to maximize recovery for the Debtor's estate. After some negotiation, Halliburton Global Affiliates Holdings B.V. ("**Halliburton**") agreed to withdraw the portion of its bid relating to the VR Rig Intellectual Property, the TARC Rig Control System Intellectual Property, and the Trademarks (as those terms are defined in the Second Report), and proceed only with respect to the CT Rig Intellectual Property (as defined in the Second Report). The other highest bidder - AtyrauEnergoTechService LLP ("**AETS**") – sought to purchase the VR Rigs, the VR Rig Intellectual Property, the TARC Rig Control System Intellectual Property, and the Trademarks.
6. Extensive negotiations between the Receiver and AETS ensued. Notwithstanding the Receiver's efforts to negotiate and finalize an asset purchase agreement with AETS, such negotiations were unsuccessful and, on June 16, 2021, AETS advised the Receiver that it would not proceed further in the Sale Process, terminated the negotiations, and requested return of its deposit.
7. Following termination by AETS of further participation in the Sale Process, the Receiver revisited the expressions of interest received and determined that the original expressions of interest submitted by Halliburton for purchase of the VR Rig Intellectual Property, the TARC Rig Control System Intellectual Property, the Trademarks, and the CT Rig

Intellectual Property provided the highest and best available recovery for the Debtor's estate. The Receiver is accordingly in the process of finalizing two Asset Purchase and Sale Agreements with Halliburton for which it expects to seek Court approval in the coming weeks.

Auction Order

8. In addition to reconsidering the expressions of interest received in the Sale Process, the Receiver sought a proposal from the Auctioneer to sell the VR Rigs by public auction. The Receiver then compared the auction proposal to the expressions of interest received by the Receiver during the Sale Process in respect of the VR Rigs and determined that the auction proposal, in combination with the Halliburton expressions of interest, offered the highest and best estimated recoveries in the circumstances.
9. The Receiver accordingly intends to engage the Auctioneer to conduct the Auction of the VR Rigs pursuant to, and in accordance with, the Auction Agreement. The Receiver is of the view that the proposed multi-platform, uniquely developed marketing strategy to be implemented by the Auctioneer pursuant to the Auction Agreement, together with the proposed timed online Auction outlined in the Auction Agreement, is fair and reasonable in the circumstances.
10. Paragraph 3(1) of the Receivership Order establishes monetary thresholds above which the Receiver is not permitted to sell Property out of the ordinary course of business without the approval of this Court. The Auction may generate sale proceeds in excess of such thresholds. The Receiver accordingly requests authority to conduct the Auction and complete the sale of the VR Rigs to the highest or otherwise best bidder notwithstanding the threshold provided in the Receivership Order.
11. The Receiver believes that the proposed auction process will supplement the already fulsome canvassing of the market which occurred within the Sale Process, and maximize available recoveries, all for the benefit of the Debtor's estate.

Bankruptcy

12. The Receiver has identified approximately 91 unsecured creditors with potential unsecured claims against the Debtor totalling approximately \$15,729,680. The Debtor is accordingly an “insolvent person” within the meaning of the BIA, which has failed to meet its obligations generally as they become due.
13. The Receiver is of the view that the assignment of the Debtor into bankruptcy will assist in the crystallization of claims against the Debtor, and facilitate the streamlined administration of the Debtor’s estate.
14. The relief requested is just, appropriate and in the best interest of the administration of the Debtor’s estate.

Activities of the Receiver

15. The Second Report sets out a description of the activities which have been undertaken by the Receiver since the granting of the Receivership Order. All actions and activities of the Receiver have been undertaken in accordance with the Receivership Order and in the best interest of the Debtor’s estate.

Material or evidence to be relied on:

16. The Receiver intends to rely upon the following materials:
 - a. the Receivership Order and pleadings filed in this matter;
 - b. the Second Report of the Receiver to the Court, dated June 21, 2021; and
 - c. such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

17. *Alberta Rules of Court*, Alta Reg 124/2010, including, without limitation, rr. 1.2, 1.3, 1.4, 6.2, 6.3, and 11.27.

Applicable Acts and Regulations:

18. *Judicature Act*, RSA 2000, c J-2.

19. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

20. 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:

21. None.

How application is proposed to be heard or considered:

22. By Webex video conference before the Honourable Justice Ho at 3:00 p.m. on June 28, 2021.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

COURT FILE NUMBER	2001-09614	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	HALLIBURTON GLOBAL AFFILIATES HOLDINGS B.V.	
DEFENDANT	RAPTOR RIG LTD.	
DOCUMENT	AUCTION APPROVAL AND VESTING ORDER	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	OSLER, HOSKIN & HARCOURT LLP Barristers & Solicitors Brookfield Place, Suite 2700 225 6 Ave SW Calgary, AB T2P 1N2 Solicitors: Randal Van de Mosselaer Telephone: (403) 260-7000 Facsimile: (403) 260-7024 Email: RVandemosselaer@osler.com File Number: 1212842	

DATE ON WHICH ORDER WAS PRONOUNCED: June 28, 2021

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice Ho

LOCATION OF HEARING: Calgary, Alberta

UPON the application of FTI Consulting Canada Inc. in its capacity as the receiver (the "**Receiver**") of the undertaking, property and assets of Raptor Rig Ltd. (the "**Debtor**") for an Order, among other things: (i) authorizing the Receiver to enter into an auction services agreement (the "**Auction Agreement**") with GD Auctions & Appraisals Inc. (the "**Auctioneer**") on the terms set out in the VR Rig Auction Proposal dated June 18, 2021 between the Auctioneer and the Receiver a copy of which is attached to the Second Report of the Receiver, dated June 21, 2021 (the "**Second Report**"); (ii) authorizing the Auctioneer to conduct an auction in respect of the first Velociraptor Rig and parts related to a second Velociraptor Rig (together, the "**VR Rigs**") in accordance with the terms of the Auction Agreement (the "**Auction**"); and (iii) vesting in each purchaser at such Auction (each, a "**Purchaser**") the Debtors' right, title and interest in and to the VR Rigs, or any portion thereof, free and clear of any claims and encumbrances; **AND UPON**

reviewing the Receivership Order of the Honourable Mr. D.R. Mah, granted August 10, 2020 (the “**Receivership Order**”); **AND UPON** reviewing the Second Report; **AND UPON** hearing from counsel for the Receiver and any other interested party appearing at the application; **AND UPON** reviewing the Affidavit of Service of Elena Pratt, sworn June ____, 2021; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. Service of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF AUCTION AGREEMENT

2. The Receiver is hereby authorized but not obliged to enter into the Auction Agreement between the Receiver and the Auctioneer and to conduct the Auction.
3. 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 Auction.
4. Notwithstanding the provisions of paragraph 3(l) of the Receivership Order, upon:
 - a. the Auctioneer completing a sale of the VR Rigs, or any portion thereof, to a Purchaser at the Auction;
 - b. receipt by the Auctioneer from such Purchaser of the purchase price determined at the Auction for the VR Rigs, or any portion thereof; and
 - c. delivery by the Auctioneer to such Purchaser of a bill of sale or similar documentary evidence of purchase and sale (the "**Purchaser's Bill of Sale**"),

(each an "**Auction Transaction**" and collectively, the "**Auction Transactions**")

all of the Debtor’s right, title and interest in and to the VR Rigs, or any portion thereof, purchased by such Purchaser at the Auction and described in such Purchaser’s Bill of Sale shall vest absolutely in the name of such Purchaser (or its nominee), free and clear of and

from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- a. any encumbrances or charges created by the Receivership Order; and
- b. all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

and, for greater certainty, this Court orders that all of the encumbrances affecting or relating to the VR Rigs, or any portion thereof purchased by a Purchaser at the Auction and described in the Purchaser's Bill of Sale, are hereby expunged and discharged as against the VR Rigs, or the applicable portion thereof.

5. From and after the closing of each of the Auction Transactions (including the payment of the purchase price by the Purchaser to the Auctioneer), the Receiver or the Auctioneer are authorized to discharge from the Personal Property Registry any claim registered against the VR Rigs or the portions thereof being purchased by the Purchaser, to the extent the security interest is registered against the interest of the Debtor.
6. Upon the completion of all of the Auction Transactions to the satisfaction of the Receiver, the Receiver shall file a certificate substantially in the form attached hereto as Schedule "A" certifying that the Auction Transactions have closed.
7. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the VR Rigs at the Auction shall stand in the place and stead of the VR Rigs, and from and after the delivery of the Purchaser's Bill of Sale all Claims and Encumbrances shall attach to the net proceeds from the sale of the VR Rigs with the same priority as they had with respect to the VR Rigs immediately prior to their sale at Auction, as if the VR Rigs had not been sold and remained in the possession or control of the person having that

possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the VR Rigs without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

8. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Auction Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
9. The Debtor and all persons who claim by, through or under the Debtor in respect of the VR Rigs, and all persons or entities having any Claims of any kind whatsoever in respect of the VR Rigs, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity or other Claim whatsoever in respect of or to the VR Rigs and, to the extent that any such persons or entities remain in possession or control of any of the VR Rigs, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the VR Rigs, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
10. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the VR Rigs for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.
11. Notwithstanding:
 - a. the pendency of these proceedings;
 - b. any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
 - c. any assignment in bankruptcy made in respect of the Debtor,

the vesting of the VR Rigs, or any portion thereof, in the applicable Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

12. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Auction Transactions.

MISCELLANEOUS

13. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 and to provide such assistance to the Receiver, as an officer of the 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.
14. This Order must be served only upon those interested parties attending or presented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
15. Service of this Order on any party not attending this application is hereby dispensed with.

SCHEDULE "A"

COURT FILE NUMBER	2001-09614	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	HALLIBURTON GLOBAL AFFILIATES HOLDINGS B.V.	
DEFENDANT	RAPTOR RIG LTD.	
DOCUMENT	RECEIVER'S CERTIFICATE	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	OSLER, HOSKIN & HARCOURT LLP Barristers & Solicitors Brookfield Place, Suite 2700 225 6 Ave SW Calgary, AB T2P 1N2 Solicitors: Randal Van de Mosselaer Telephone: (403) 260-7000 Facsimile: (403) 260-7024 Email: RVandemosselaer@osler.com File Number: 1212842	

RECITALS

- A. Pursuant to an Order of the Honourable Justice D.R. Mah of the Court of Queen's Bench of Alberta (the "**Court**"), dated August 10, 2020, FTI Consulting Canada Inc. was appointed receiver (the "**Receiver**") of the undertaking, property and assets of Raptor Rig Ltd.
- B. Pursuant to an Order of the Court, dated June 28, 2021, the Court approved the VR Rig Auction Proposal made as of June 18, 2021 between the Receiver and G.D. Auctions & Appraisals Inc. pursuant to which one or more auction transactions may be completed for the purchase and sale of the the first Velociraptor Rig and parts related to a second Velociraptor Rig (the "**Auction Transactions**").

THE RECEIVER CERTIFIES THE FOLLOWING:

1. The Auction Transactions have been completed to the satisfaction of the Receiver.

2. This Certificate was delivered by the Receiver at _____ on _____, 2021.

FTI Consulting Canada Inc., in its capacity as Receiver of the undertakings, property and assets of Raptor Rig Ltd., and not in its personal or corporate capacity.

Name:

Title:

Schedule “B”

COURT FILE NUMBER 2001-09614

COURT COURT OF QUEEN’S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF HALLIBURTON GLOBAL AFFILIATES HOLDINGS B.V.

DEFENDANT RAPTOR RIG LTD.

DOCUMENT **ORDER**

(Approval of Activities, Approval of Receiver’s Statement of Receipts and Disbursements, Authorization to Assign Debtor into Bankruptcy)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **OSLER, HOSKIN & HARCOURT LLP**
Barristers & Solicitors
Brookfield Place, Suite 2700
225 6 Ave SW
Calgary, AB T2P 1N2

Solicitors: Randal Van de Mosselaer
Telephone: (403) 260-7000
Facsimile: (403) 260-7024
Email: RVandemosselaer@osler.com
File Number: 1212842

DATE ON WHICH ORDER WAS PRONOUNCED: June 28, 2021

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice Ho

LOCATION OF HEARING: Calgary, Alberta

UPON the application of FTI Consulting Canada Inc. in its capacity as the receiver (the “Receiver”) of the undertaking, property and assets of Raptor Rig Ltd. (the “Debtor”); **AND UPON** reviewing the Receivership Order of the Honourable Mr. D.R. Mah, granted August 10, 2020 (the “Receivership Order”), the Second Report of the Receiver, dated June 21, 2021 (the “Second Report”), and the Affidavit of Service of Elena Pratt, sworn June ____, 2021; **AND UPON** hearing from counsel for the Receiver and any other interested party; **IT IS HEREBY ORDERED AND DECLARED THAT:**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.
2. The actions, conduct and activities of the Receiver, as reported in the Second Report are hereby approved.
3. The Receiver's Statement of Receipts and Disbursements, as set out in the Second Report, is hereby approved.
4. The Receiver is hereby authorized, if the Receiver deems advisable, to assign the Debtor into bankruptcy pursuant to the provisions of section 49 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the "BIA").
5. The Receivership Order is hereby amended as may be necessary to provide the Receiver with authority to assign the Debtor into bankruptcy pursuant to the provisions of section 49 of the BIA.
6. The Receiver shall not be disqualified from acting as Trustee in Bankruptcy by reason only of its role as Receiver.
7. The Receiver shall serve by courier, fax transmission, email transmission or ordinary post, a copy of this Order on all parties present at this Application and on all parties who are presently on the service list established in these proceedings and such service shall be deemed good and sufficient for all purposes.

J.C.Q.B.A.