



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed December 5, 2019

*Harlin DeWayne Hale*  
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

|  |   |                             |
|--|---|-----------------------------|
| <b>In re:</b>                          | § |                             |
|  | § | <b>Case No. 19-33868-15</b> |
| <b>EAGLE ENERGY INC.<sup>1</sup></b>   | § |                             |
|  | § | <b>Chapter 15</b>           |
| <b>Debtor in a foreign proceeding.</b> | § |                             |
|  | § | <b>Jointly Administered</b> |

**ORDER (I) GRANTING EXPEDITED PETITION FOR RECOGNITION AS FOREIGN MAIN PROCEEDING PURSUANT TO SECTIONS 1515 AND 1517 OF THE UNITED STATES BANKRUPTCY CODE AND RELATED RELIEF AND (II) AUTHORIZING RECEIVER'S LIMITED USE OF CASH COLLATERAL**

FTI Consulting Canada Inc. (“**FTI**”) solely in its capacity as court-appointed receiver (the “**Receiver**”) of (1) Eagle Energy Inc. (“**Eagle Energy**”), (2) Eagle Energy Trust (“**Eagle Trust**”), (3) Eagle Energy Holdings Inc. (“**Eagle Holdings**”), and (4) Eagle Hydrocarbons Inc. (“**Eagle US**”) (collectively, “**Eagle**” or “**Debtors**”) filed an *Expedited Petition for Recognition as Foreign Main Proceeding, or Alternatively as Foreign Nonmain Proceeding, Pursuant to Sections 1515 and 1517 of the United States Bankruptcy Code and Related Relief* (“**Petition**”).

<sup>1</sup> The Debtors are: (1) Eagle Energy Inc., (2) Eagle Energy Trust, (3) Eagle Energy Holdings Inc., and (4) Eagle Hydrocarbons Inc.

The Court finds that notice was proper and that no party in interest made any response in opposition to the Petition, or, if so, the relief requested in any such response was denied for the reasons stated on the record, and further finds that the relief requested in the Petition should be GRANTED. All terms not otherwise defined herein shall have the meanings provided in the Petition. In connection therewith and after due deliberations and consideration of (i) the Petition, (ii) the exhibits to the Petition, (iii) the Receivership Order (as defined below) entered in the Canadian Proceeding (as defined below), (iv) all other documents filed in support thereof, and (v) the exhibits introduced at the hearings conducted in these cases, testimony of witnesses, if any, and the arguments and statements of counsel, and (vi) this Court's powers and discretion under Bankruptcy Code sections 105, 1507, 1515, 1517, 1520, 1521, 1522 and 1524, and sufficient cause appearing, this Court finds and concludes as follows:

- A. The Debtors are the following entities: (1) Eagle Energy, (2) Eagle Trust, (3) Eagle Holdings, and (4) Eagle US.
- B. On November 19, 2019, White Oak Global Advisors, LLC as the administrative agent (in such capacity, the "**Agent**") under that certain *Loan and Security Agreement* dated as of March 13, 2017 (as amended, modified, or supplemented, the "**Loan Agreement**"), for itself and for and on behalf of a group of lenders on whose behalf White Oak Global Advisors, LLC signed (collectively, and in such capacity, the "**Lenders**"), filed an Application (Receivership Order) in the Canadian Proceedings seeking the appointment of FTI as receiver under section 243 of the Bankruptcy and Insolvency Act (the "**BIA**"), RSC 1985 c B-3 and section 13(2) of the Judicature Act, RSA 2000 c J-2 in the Court of Queen's Bench of Alberta, Judicial Centre of Calgary (the "**Canadian Court**") in the proceeding styled In the Matter of the Receivership of Eagle Energy Inc. et. al, Alberta Court of Queen's Bench File No. 1901-16293. (the "**Canadian Proceedings**").
- C. On November 19, 2019, the Canadian Court, Honorable Justice R.A. Neufeld, granted a Receivership Order in Alberta Court of Queen's Bench File No. Court File No. 1901-16293 (the "**Receivership Order**") appointing FTI as the Receiver and manager of the Debtors.
- D. On November 20, 2019, the Debtors filed their respective Petitions (the "**Petition Date**").

- E. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a) and (b) and 1334(a) and (b) and Sections 109 and 1501 of the Bankruptcy Code. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).
- F. Venue is proper in this district pursuant to 28 U.S.C. § 1410(3).
- G. This Court has constitutional authority to enter final orders in these cases under *Stern v. Marshall*, 564 U.S. 462 (2011), or, in the alternative, by consent of the parties. See *Executive Benefits Ins. Agency v. Arkinson*, 134 S. Ct. 2165 (2014).
- H. The Receiver is a “person” within the meaning of Section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of the Debtors within the meaning of Section 101(24) of the Bankruptcy Code.
- I. These cases were properly commenced pursuant to Sections 1504 and 1515 of the Bankruptcy Code.
- J. The Canadian Proceedings are “foreign proceedings” within the meaning of Section 101(23) of the Bankruptcy Code.
- K. The Canadian Proceedings are entitled to recognition by this Court pursuant to Section 1517 of the Bankruptcy Code.
- L. The Canadian Proceedings are entitled to recognition as a “foreign main proceeding” pursuant to Section 1502(4) of the Bankruptcy Code and are entitled to recognition as a foreign main proceeding pursuant to Section 1517(b)(1) of the Bankruptcy Code with respect to each of the Debtors. The Debtors’ centers of main interests are in Canada.
- M. The Receiver is entitled to the relief afforded under Section 1520 of the Bankruptcy Code.
- N. There is a substantial likelihood that, with the relief granted herein, the Receiver will be able to successfully liquidate the remaining assets of the Debtors’ under the provisions of the Bankruptcy Code in the above-referenced chapter 15 bankruptcy cases and the BIA in the Canadian Proceedings, which will benefit all stakeholders.
- O. Relief is needed to protect the assets of the Debtors or the interests of the creditors pursuant to 11 U.S.C. § 1521. Therefore, the Receiver is entitled to the additional relief afforded under Section 1521 of the Bankruptcy Code as set forth in and limited by paragraph 6 below (the “**1521 Relief**”).
- P. The Receiver, in its role as foreign representative of the Debtors, and the Debtors, are entitled to the 1521 Relief set forth herein pursuant to Section 1521 of the Bankruptcy Code.
- Q. The relief granted is necessary and appropriate to effectuate the purpose of

Chapter 15 of the Bankruptcy Code and to protect the assets of the Debtors and interests of the creditors, is in the interest of the public and international comity, is consistent with the United States public policy, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting the requested relief.

**NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS**

1. The Canadian Proceedings are hereby recognized as foreign main proceedings pursuant to Section 1517 of the Bankruptcy Code with respect to each of the Debtors.

2. The Receivership Order is consistent with the public policy of the United States and is therefore granted comity. The terms of the Receivership Order granted in the Canadian Proceedings under the BIA on November 19, 2019, are given full force and effect in the United States.

3. The Receiver is granted all of the relief afforded under Section 1520 of the Bankruptcy Code including, without limitation, the following:

- (a.) Sections 361 and 362 of the Bankruptcy Code apply with respect to the Debtors and the property of the Debtors that is within the territorial jurisdiction of the United States.
- (b.) Sections 363, 549 and 552 of the Bankruptcy Code apply to a transfer of an interest of the Debtors in property that is within the territorial jurisdiction of the United States to the same extent that the sections would apply to property of an estate.
- (c.) the Receiver may, but is not obligated to, operate the Debtors' business and may exercise the rights and powers of a trustee under and to the extent provided by 11 U.S.C. §§ 363 and 552; and
- (d.) Section 552 of the Bankruptcy Code applies to property of the Debtors that is within the territorial jurisdiction of the United States.

4. Pursuant to Section 1524 of the Bankruptcy Code, the Receiver may intervene in any proceeding in a State or Federal court in the United States in which a Debtor is a party.

5. Pursuant to Section 1523(a) of the Bankruptcy Code, the Receiver has standing in a case concerning any of the Debtors pending under another chapter of this title to initiate actions under sections 522, 544, 545, 547, 548, 550, 553 and 724(a).

6. The following additional relief is granted pursuant to Section 1521 of the Bankruptcy Code:

- (a.) The administration or realization of all or part of the assets of the Debtors within the territorial jurisdiction of the United States is hereby entrusted to the Receiver, and the terms of the Receivership Order shall apply to the Debtors, their creditors, the Receiver, and any other parties-in-interest, and the Receiver is authorized to implement the Receivership Order;
- (b.) The Receiver may undertake the examination of witnesses, the taking of evidence, the production of documents, or the delivery of information concerning the assets, affairs, rights, obligations or liabilities of the Debtors.

7. Notwithstanding Rule 7062 of the Bankruptcy Rules, made applicable to this case by Rule 1018 of the Bankruptcy Rules, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry and, upon its entry, shall become final and appealable.

8. The Agent has consented to the Receiver's use of the Agent's cash collateral (within the meaning of section 363(a) of the Bankruptcy Code) within the territorial jurisdiction of the United States in connection with these Chapter 15 cases (the "**Cash Collateral**"). The Agent, on behalf of the Lenders and, in its capacity as Collateral Agent (as defined in that certain Intercreditor Agreement, dated as of March 13, 2017 (the "**Intercreditor Agreement**")) on behalf of the Lenders and BP Energy Company ("**BP**") with respect to the Loan Obligations (as defined in the Intercreditor Agreement) and the BP Swap Obligations (as defined in the Intercreditor Agreement), as applicable, and in all respects subject to the terms of the Intercreditor Agreement, is entitled to adequate protection for its interest in its Cash Collateral

from any diminution in value resulting from the use, sale or lease of the Agent's Cash Collateral from and after the Petition Date (such decrease in value, the "**Adequate Protection Obligations**"). Accordingly, the Agent, as Collateral Agent on behalf of the Lenders and BP, and subject to the terms of the Intercreditor Agreement, is hereby granted as adequate protection for and to the extent of the Adequate Protection Obligations, *nunc pro tunc* to the date of the filing of the Petitions, (a) valid, binding, enforceable and perfected replacement liens and security interests (the "**Adequate Protection Liens**") in all assets of the Debtors within the territorial jurisdiction of the United States, and (b) an allowed administrative expense claim (to the extent that section 503 may apply to these cases) against the Debtors (the "**Adequate Protection Claim**") that shall secure payment of the Adequate Protection Obligations. Nothing herein shall prejudice, impair or otherwise affect the rights of the Agent to seek any other or supplemental relief (retroactive to the Petition Date) in respect of their adequate protection rights.

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

10. The Receiver shall not be required to post a bond.

11. This Order applies to all parties in interest in these Chapter 15 cases and all of their agents, employees, and representatives, and all those who act in concert with them or who receive notice of this Order.

### END OF ORDER ###

**Submitted by:**

/s/ Greg M. Wilkes

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