



ENTERED
07/13/2020

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

----- X
In re: : Chapter 11
: :
HI-CRUSH INC., *et al.*,¹ : Case No. 20- 33495 (DRJ)
: :
Debtors. : (Jointly Administered)
: :
----- X

ORDER AUTHORIZING PAYMENT OF PREPETITION TAXES AND FEES

[Relates to Motion at Docket No. 14]

Upon the motion (the "**Motion**")² of the Debtors for an Order authorizing the Debtors, in their sole discretion, to pay amounts owed on account of prepetition Taxes and Fees to the Taxing Authorities and the other Debtors; and the Court having reviewed the Motion and the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and all objections, if any, to entry of this

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Hi-Crush Inc. (0530), OnCore Processing LLC (9403), Hi-Crush Augusta LLC (0668), Hi-Crush Whitehall LLC (5562), PDQ Properties LLC (9169), Hi-Crush Wyeville Operating LLC (5797), D & I Silica, LLC (9957), Hi-Crush Blair LLC (7094), Hi-Crush LMS LLC, Hi-Crush Investments Inc. (6547), Hi-Crush Permian Sand LLC, Hi-Crush Proppants LLC (0770), Hi-Crush PODS LLC, Hi-Crush Canada Inc. (9195), Hi-Crush Holdings LLC, Hi-Crush Services LLC (6206), BulkTracer Holdings LLC (4085), Pronghorn Logistics Holdings, LLC (5223), FB Industries USA Inc. (8208), PropDispatch LLC, Pronghorn Logistics, LLC (4547), and FB Logistics, LLC (8641). The Debtors' address is 1330 Post Oak Blvd, Suite 600, Houston, Texas 77056.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.



Order having been withdrawn, resolved, or overruled; and after due deliberation thereon; and the Court having determined that there is good and sufficient cause for the relief granted in the Order, it is hereby

ORDERED THAT:

1. The Debtors are authorized, but not directed, in their sole discretion, to pay to the Taxing Authorities or the other Debtors all Taxes and Fees relating to the period prior to the commencement of their Chapter 11 Cases (the “**Petition Date**”), solely to the extent that such Taxes and Fees become payable in accordance with applicable law. Such Taxes and Fees are summarized in further detail in the chart below.

Category	Description	Estimated Amount
Franchise and Business Taxes	Taxes required to conduct business in the ordinary course, including the Commercial Activity Tax (“ CAT ”).	\$320,000
Income Taxes	Taxes imposed on the Debtors’ income and that are required to conduct business in the ordinary course.	\$0
Property Taxes	Taxes and obligations related to real and personal property holdings.	\$3,000,000
Sales and Use Taxes	Taxes imposed on the sale and use of certain goods and services.	\$660,000
Government Regulatory Taxes/Licensing Fees	Taxes and obligations related to regulatory fees and the granting of licenses that are required to conduct business in the ordinary course.	\$0

2. The Debtors’ rights to contest the amounts of any Taxes and Fees on any grounds they deem appropriate are reserved and extend to the payment of Taxes and Fees relating to tax audits that have been completed, are in progress, or arise from prepetition periods.

3. The Debtors may seek additional relief from this Court in the future in the event that the Debtors subsequently determine that additional prepetition Taxes and Fees are owed by the Debtors.

4. Nothing in the Motion or this Order shall be construed as impairing the Debtors' right to contest the validity, amount, or priority of any Taxes and Fees allegedly due or owing to any Taxing Authorities or the other Debtors, or any claim or lien against the Debtors and all Debtors' rights with respect thereto are hereby reserved.

5. The Debtors' banks and financial institutions shall be, and are hereby authorized, when requested by the Debtors in their sole discretion, to process, honor, pay and, if necessary, reissue any and all checks or electronic fund transfers, including prepetition checks and electronic payment and transfer requests that the Debtors reissue or re-request postpetition, drawn on the Debtors' bank accounts relating to the prepetition Taxes and Fees, whether those checks were presented prior to or after the Petition Date, provided that sufficient funds are available in the accounts to make the payments.

6. The Debtors' banks and financial institutions may rely on the representations of the Debtors with respect to whether any check or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Order, and any such bank or financial institution shall not have any liability to any party for relying on such representations by the Debtors as provided for in this Order.

7. Nothing in the Motion or this Order, or the Debtors' payment of any claims pursuant to this Order, shall be construed as: (i) an admission as to the validity of any claim against any Debtor or the existence of any lien against the Debtors' properties; (ii) a waiver of the Debtors' rights to dispute any claim or lien on any grounds; (iii) a promise to pay any claim; (iv) an implication or admission that any particular claim would constitute an allowed claim; (v) an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code; or (vi) a limitation on the Debtors' rights under section 365 of the

Bankruptcy Code to assume or reject any executory contract with any party subject to this Order. Nothing contained in this Order shall be deemed to increase, decrease, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

8. Neither the provisions contained herein, nor any actions or payments made by the Debtors pursuant to this Order, shall be deemed an admission as to the validity of any underlying obligation or a waiver of any rights the Debtors may have to dispute such obligation on any ground that applicable law permits.

9. Notwithstanding anything to the contrary contained herein, (i) any payment made, or to be made, or authorization contained hereunder shall be subject to the requirements imposed on the Debtors under any order approving a postpetition financing facility or any order regarding the use of cash collateral approved by this Court in these Chapter 11 Cases (collectively, the “**DIP Orders**”), and (ii) to the extent there is any inconsistency between the terms of the DIP Orders and any action taken or proposed to be taken hereunder, the terms of the DIP Orders shall control. For the avoidance of doubt, the Debtors are not authorized to make any payments pursuant to this Order except as permitted by the Budget (as defined in the DIP Orders).

10. The contents of the Motion satisfy the requirements of Bankruptcy Rules 6003(b) and 6004(a).

11. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Order shall be effective and enforceable immediately upon entry hereof.

12. The Debtors shall maintain a matrix/schedule of payments made pursuant to this Order, including the following information: (a) the names of the payee; (b) the nature of the payment; (c) the amount of the payment; (d) the category or type of payment; (e) the Debtor or Debtors that made the payment; (f) the payment date; and (g) the purpose of such payment. The

Debtors shall provide a copy of such matrix/schedule to the U.S. Trustee, the Ad Hoc Group, and any statutory committee appointed in these chapter 11 cases every 30 days beginning upon entry of this Order.

13. The Debtors are authorized to take all action necessary to effectuate the relief granted by this Order.

14. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Signed: July 13, 2020.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

United States Bankruptcy Court
Southern District of TexasIn re:
Hi-Crush Inc.
DebtorCase No. 20-33495-drj
Chapter 11**CERTIFICATE OF NOTICE**

District/off: 0541-4

User: emiller
Form ID: pdf002Page 1 of 2
Total Noticed: 3

Date Rcvd: Jul 14, 2020

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jul 16, 2020.

db +Hi-Crush Inc., 1330 Post Oak Blvd., Suite 600, Houston, TX 77056-3166
 cr +Howard County Tax Office, et al, c/o Laura J. Monroe,
 Perdue, Brandon, Fielder, Collins & Mott, PO Box 817, Lubbock, TX 79408-0817
 op +Kurtzman Carson Consultants LLC, 222 N Pacific Coast Highway, 3rd Floor,
 El Segundo, CA 90245-5614

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
NONE. TOTAL: 0

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****

cr Ad Hoc Group of Holders
 cr CIT Bank, N.A.
 cr Cantor Fitzgerald Securities, as DIP Term Loan Age
 cr Chevron U.S.A. Inc.
 cr JPMORGAN CHASE BANK, N.A.
 cr Trinity Industries Leasing Co.

TOTALS: 6, * 0, ## 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.**Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.**

Date: Jul 16, 2020

Signature: /s/Joseph Speetjens**CM/ECF NOTICE OF ELECTRONIC FILING**

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on July 13, 2020 at the address(es) listed below:

Ashley L. Harper on behalf of Debtor Hi-Crush Inc. ashleyharper@HuntonAK.com
 Cristina Walton Liebolt on behalf of Creditor JPMORGAN CHASE BANK, N.A.
 Cristina.liebolt@stblaw.com
 Daniel Latham Biller on behalf of Creditor JPMORGAN CHASE BANK, N.A. Daniel.biller@stblaw.com
 Edward L Ripley on behalf of Creditor Chevron U.S.A. Inc. eripley@andrewsmyers.com
 Elisha Graff on behalf of Creditor JPMORGAN CHASE BANK, N.A. egraff@stblaw.com
 Evan Gershbein on behalf of Other Prof. Kurtzman Carson Consultants LLC
 ECFpleadings@kccllc.com, ecfpleadings@kccllc.com
 Hector Duran, Jr on behalf of U.S. Trustee US Trustee Hector.Duran.Jr@usdoj.gov
 John F Higgins, IV on behalf of Creditor Ad Hoc Group of Holders jhiggins@porterhedges.com,
 emoreland@porterhedges.com; eliana-garfias-8561@ecf.pacerpro.com; mwebb@porterhedges.com
 John F Higgins, IV on behalf of Creditor Cantor Fitzgerald Securities, as DIP Term Loan Agent
 jhiggins@porterhedges.com,
 emoreland@porterhedges.com; eliana-garfias-8561@ecf.pacerpro.com; mwebb@porterhedges.com
 Laura J Monroe on behalf of Creditor Howard County Tax Office, et al lmbkr@pbfc.com,
 krobertson@ecf.inforuptcy.com
 Michael L. Schein on behalf of Creditor CIT Bank, N.A. mschein@vedderprice.com
 Omar Jesus Alaniz on behalf of Creditor Trinity Industries Leasing Co.
 omar.alaniz@bakerbotts.com, omar-alaniz-2648@ecf.pacerpro.com
 Stephen Douglas Statham on behalf of U.S. Trustee US Trustee stephen.statham@usdoj.gov
 Timothy Alvin Davidson, II on behalf of Debtor Hi-Crush Inc. TadDavidson@HuntonAK.com
 Timothy Alvin Davidson, II on behalf of Debtor Hi-Crush Services LLC TadDavidson@HuntonAK.com
 Timothy Alvin Davidson, II on behalf of Debtor PropDispatch LLC TadDavidson@HuntonAK.com
 Timothy Alvin Davidson, II on behalf of Debtor Hi-Crush Holdings LLC TadDavidson@HuntonAK.com
 Timothy Alvin Davidson, II on behalf of Debtor Hi-Crush Investments Inc.
 TadDavidson@HuntonAK.com
 Timothy Alvin Davidson, II on behalf of Debtor FB Logistics, LLC TadDavidson@HuntonAK.com
 Timothy Alvin Davidson, II on behalf of Debtor Hi-Crush Permian Sand LLC
 TadDavidson@HuntonAK.com
 Timothy Alvin Davidson, II on behalf of Debtor Pronghorn Logistics, LLC
 TadDavidson@HuntonAK.com
 Timothy Alvin Davidson, II on behalf of Debtor PDQ Properties LLC TadDavidson@HuntonAK.com
 Timothy Alvin Davidson, II on behalf of Debtor OnCore Processing LLC TadDavidson@HuntonAK.com

District/off: 0541-4

User: emiller
Form ID: pdf002Page 2 of 2
Total Noticed: 3

Date Rcvd: Jul 14, 2020

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system (continued)

Timothy Alvin Davidson, II TadDavidson@HuntonAK.com	on behalf of Debtor	Pronghorn Logistics Holdings, LLC
Timothy Alvin Davidson, II	on behalf of Debtor	Hi-Crush Augusta LLC TadDavidson@HuntonAK.com
Timothy Alvin Davidson, II	on behalf of Debtor	Hi-Crush LMS LLC TadDavidson@HuntonAK.com
Timothy Alvin Davidson, II	on behalf of Debtor	Hi-Crush PODS LLC TadDavidson@HuntonAK.com
Timothy Alvin Davidson, II	on behalf of Debtor	D & I Silica, LLC TadDavidson@HuntonAK.com
Timothy Alvin Davidson, II	on behalf of Debtor	Hi-Crush Whitehall LLC TadDavidson@HuntonAK.com
Timothy Alvin Davidson, II TadDavidson@HuntonAK.com	on behalf of Debtor	BulkTracer Holdings LLC
Timothy Alvin Davidson, II TadDavidson@HuntonAK.com	on behalf of Debtor	Hi-Crush Wyeville Operating LLC
Timothy Alvin Davidson, II	on behalf of Debtor	Hi-Crush Proppants LLC TadDavidson@HuntonAK.com
Timothy Alvin Davidson, II	on behalf of Debtor	FB Industries USA Inc. TadDavidson@HuntonAK.com
Timothy Alvin Davidson, II	on behalf of Debtor	Hi-Crush Blair LLC TadDavidson@HuntonAK.com
Timothy Alvin Davidson, II	on behalf of Debtor	Hi-Crush Canada Inc. TadDavidson@HuntonAK.com
US Trustee	USTPRegion07.HU.ECF@USDOJ.GOV	

TOTAL: 36