

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

**DEBTORS' EMERGENCY MOTION
FOR ENTRY OF INTERIM AND FINAL ORDERS
ESTABLISHING NOTIFICATION PROCEDURES AND APPROVING
RESTRICTIONS ON CERTAIN TRANSFERS OF STOCK OF THE DEBTORS**

EMERGENCY RELIEF HAS BEEN REQUESTED. A HEARING WILL BE CONDUCTED ON THIS MATTER ON JULY 13, 2020 AT 3:30 P.M. PREVAILING CENTRAL TIME IN COURTROOM 400, 4TH FLOOR, 515 RUSK STREET, HOUSTON, TX 77002. IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST EITHER APPEAR AT THE HEARING OR FILE A WRITTEN RESPONSE PRIOR TO THE HEARING. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

RELIEF IS REQUESTED NOT LATER THAN JULY 13, 2020.

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.



Please note that on March 24, 2020, through the entry of General Order 2020-10, the Court invoked the Protocol for Emergency Public Health or Safety Conditions.

It is anticipated that all persons will appear telephonically and also may appear via video at this hearing.

Audio communication will be by use of the Court's regular dial-in number. The dial-in number is +1 (832) 917-1510. You will be responsible for your own long-distance charges. You will be asked to key in the conference room number. Judge Jones' conference room number is 205691.

Parties may participate in electronic hearings by use of an internet connection. The internet site is www.join.me. Persons connecting by mobile device will need to download the free [join.me](http://www.join.me) application.

Once connected to www.join.me, a participant must select "join a meeting". The code for joining this hearing before Judge Jones is "judgejones". The next screen will have a place for the participant's name in the lower left corner. Please complete the name and click "Notify".

Hearing appearances should be made electronically and in advance of the hearing. You may make your electronic appearance by:

- 1) Going to the Southern District of Texas website;
- 2) Selecting "Bankruptcy Court" from the top menu;
- 3) Selecting "Judges' Procedures & Schedules;"
- 4) Selecting "view home page" for Judge David R. Jones;
- 5) Under "Electronic Appearance," select "Click here to submit Electronic Appearance;"
- 6) Select "Hi-Crush Inc., et al." from the list of Electronic Appearance Links; and
- 7) After selecting "Hi-Crush Inc., et al." from the list, complete the required fields and hit the "Submit" button at the bottom of the page.

Submitting your appearance electronically in advance of the hearing will negate the need to make an appearance on the record at the hearing.

The above-captioned debtors and debtors in possession (collectively, the "**Debtors**") respectfully state the following in support of this emergency motion (this "**Motion**"):

RELIEF REQUESTED

1. By this Motion, the Debtors request entry of interim and final orders substantially in the forms attached hereto (the "**Interim Order**" and the "**Final Order**," as applicable) authorizing the Debtors to establish procedures (the "**Stock Procedures**") to protect the potential value of net operating loss carryforwards ("**NOLs**"), a net unrealized built-in loss (a "**NUBIL**")

and other tax benefits (collectively, the “**Tax Attributes**”) of one or more of the Debtors for U.S. federal income tax purposes in connection with the reorganization of the Debtors.

2. The established Stock Procedures shall apply to common stock of Debtor Hi-Crush Inc. (the “**Hi-Crush Stock**”) and any options or similar rights (within the meaning of applicable regulations promulgated by the U.S. Department of the Treasury under the Tax Code (the “**Treasury Regulations**”)) to acquire such stock (the “**Options**”).

JURISDICTION AND VENUE

3. The United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and this Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper under 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a) and 362 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), Rules 6003 and 6004, of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 9013-1, of the Bankruptcy Local Rules for the Southern District of Texas (the “**Bankruptcy Local Rules**”), and the Procedures for Complex Chapter 11 Cases in the Southern District of Texas (the “**Complex Case Procedures**”).

BACKGROUND

5. On the date hereof (the “**Petition Date**”), the Debtors filed voluntary petitions in this Court commencing cases for relief under chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”). The factual background regarding the Debtors, including their business operations,

their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the *Declaration of J. Philip McCormick Jr., Chief Financial Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Pleadings*, (the “**First Day Declaration**”), which is filed with the Court concurrently herewith and is fully incorporated herein by reference.

6. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108. No trustee or examiner has been requested in these Chapter 11 Cases, and no committees have been appointed.

7. Simultaneously with the filing of this Motion, the Debtors have filed a motion with this Court pursuant to Bankruptcy Rule 1015(b) seeking joint administration of the Chapter 11 Cases.

BASIS FOR RELIEF

A. The Debtors’ Tax Attributes

8. One or more of the Debtors possess significant Tax Attributes, including, as of the Petition Date, estimated federal NOLs of approximately \$160 million and an indeterminate amount of NUBIL.

9. Title 26 of the United States Code (the “**Tax Code**”) generally permits a corporation to carry forward its NOLs to reduce future taxable income, thereby reducing, along with available tax credits, such corporation’s tax liability in future periods. *See, e.g.*, 26 U.S.C. §§ 38 and 172. In addition, the Tax Code generally permits a corporation to deduct recognized built-in losses (“**RBILs**”) on property giving rise to a NUBIL as such property is sold, depreciated, or amortized. *See, e.g., id.* §§ 165, 167, and 197. Accordingly, absent any intervening limitations and depending on future operating results and the consummation of taxable asset dispositions by the Debtors, the Tax Attributes are available to reduce the Debtors’ U.S. federal income tax

liability through the taxable year that includes the effective date of a chapter 11 plan and potentially thereafter, depending on the consequences of the restructuring. The Tax Attributes, therefore, could translate into future tax savings over time, and any such savings could enhance the Debtors' cash position for the benefit of all parties in interest and contribute to the Debtors' efforts toward a successful reorganization.

10. The Debtors' ability to use the Tax Attributes to reduce future tax liability is subject to certain statutory limitations. Sections 382 and 383 of the Tax Code limit the ability of a loss corporation (i.e., a corporation that has NOLs or a NUBIL) to deduct NOLs and RBILs and use tax credits and certain other tax benefits to offset future income once that corporation has undergone an "ownership change" within the meaning of section 382 of the Tax Code (an "**Ownership Change**"). Pursuant to section 382 of the Tax Code, an Ownership Change generally occurs when the percentage of a corporation's equity held by one or more of its "5-percent shareholders" (each, as that term is used in section 382 of the Tax Code, a "**5-Percent Shareholder**") increases by more than fifty percentage points above the lowest percentage of the corporation's equity owned by such shareholder(s) at any time during the relevant testing period (generally the shorter of the three-year period or the period of time since the most recent Ownership Change of the corporation.). *See id.* § 382(g).

11. The Debtors believe that they have significant Tax Attributes that would be severely impaired by the occurrence of an Ownership Change during the pendency of the Chapter 11 Cases. Therefore, it is in the best interests of the Debtors and their stakeholders to restrict acquisitions of Hi-Crush Stock that could result in an Ownership Change occurring before the effective date of a chapter 11 plan or any applicable bankruptcy court order. Such restriction would protect the Debtors' ability to use the Tax Attributes during the pendency of the Chapter 11 Cases

and potentially thereafter to offset gain or other income recognized in connection with the Debtors' sale or ownership of their assets, which may be significant in amount. In the event a pre-effective-date Ownership Change occurred, the resulting limitation on the Debtors' Tax Attributes primarily depends on the value of the Hi-Crush Stock at such time, and thus becomes increasingly severe as the value of the Hi-Crush Stock declines.

B. The Proposed Procedures Relating to Hi-Crush Stock²

12. By establishing procedures for monitoring the ownership and acquisitions of Hi-Crush Stock (the "**Stock Procedures**"), the Debtors can preserve their ability to seek the necessary relief if it appears that any such acquisition(s) may impair the Debtors' ability to use their Tax Attributes. Therefore, the Debtors propose the following Stock Procedures:

- (i) **Notice of Substantial Stock Ownership**. Any Person (as such term is defined in Exhibit 1 to the proposed Interim Order and proposed Final Order) that Beneficially owns (as such term is defined in Exhibit 1 to the proposed Interim Order and proposed Final Order), at any time on or after the Petition Date, at least 4.74 million shares of Hi-Crush Stock (representing approximately 4.75% of all issued and outstanding shares of Hi-Crush Stock) (a "**Substantial Stockholder**") shall file with this Court and serve upon (i) Hi-Crush Inc., 1330 Post Oak Blvd, Suite 600 Houston, Texas 77056 (Attn: Mark C. Skolos, Esq. (email: mskolos@hicrushinc.com));
- (ii) proposed co-counsel to the Debtors, Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022 (Attn: Annemarie V. Reilly, Esq. (email: annemarie.reilly@lw.com)) and 330 North Wabash Ave., Suite 2800, Chicago, Illinois 60611 (Attn: Asif Attarwala, Esq. (email: asif.attarwala@lw.com)),
- (iii) proposed co-counsel to the Debtors, Hunton Andrews Kurth LLP,

² The Stock Procedures delineated herein summarize the relevant portion of Exhibit 1 to the proposed Interim Order and proposed Final Order, which set forth the Stock Procedures.

600 Travis Street, Suite 4200, Houston, Texas 77002 (Attn: Timothy A. (“Tad”) Davidson II, Esq. and Ashley L. Harper, Esq. (emails: taddavidson@HuntonAK.com, and ashleyharper@HuntonAK.com)), (iv) counsel to that certain ad hoc group of holders of prepetition notes (the “**Ad Hoc Group**”), (a) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019 (Attn: Brian Hermann, Esq. and David Weiss, Esq. (emails: bhermann@paulweiss.com, and emccolm@paulweiss.com)) and (b) Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, TX 77002 (Attn: John F. Higgins, Esq. (email: jhiggins@porterhedges.com)); (v) counsel to any statutory committees appointed in the Chapter 11 Cases (each, an “**Official Committee**”); (vi) counsel to the agent for the Debtors’ prepetition and postpetition secured asset-based revolving credit facility, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017 (Attn: Elisha Graff, Esq. and Daniel L. Biller, Esq. (emails: egraff@stblaw.com, and daniel.biller@stblaw.com)); and (vii) counsel to the agent under the Debtors’ postpetition term loan facility, Shipman & Goodwin LLP, One Constitution Plaza, Hartford, CT 06103 (Attn: Kathleen Lamanna, Esq. (email: klamanna@goodwin.com)) (collectively, the “**Disclosure Parties**”) a notice of such Person’s Hi-Crush Stock ownership (a “**Substantial Stock Ownership Notice**”), in substantially the form annexed to the proposed Interim Order and proposed Final Order as Exhibit 2, which describes specifically and in detail such Person’s ownership of Hi-Crush Stock, on or before the date that is five calendar days after the later of (x) the date the order granting the requested relief is entered or (y) the date such Person qualifies as a Substantial Stockholder. At the election of the filing Person, the Substantial Stock Ownership Notice to be filed with this Court (but not the Substantial Stock Ownership Notice that is served upon the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of Hi-Crush Stock beneficially owned.

(ii) Acquisition of Hi-Crush Stock. At least twenty calendar days prior to the proposed date of any transfer of Hi-Crush Stock or exercise of any Option to acquire Hi-Crush Stock that would result in an increase in the amount of Hi-Crush Stock beneficially owned by any Person that currently is or, as a result of the proposed transaction, would be a Substantial Stockholder (a “**Proposed Stock Acquisition Transaction**”), such Person or Substantial Stockholder (a “**Proposed Stock Transferee**”) shall file with this Court and serve upon the Disclosure Parties a notice of such Proposed Stock Transferee’s intent to purchase, acquire, or otherwise accumulate Hi-Crush Stock (a “**Stock Acquisition Notice**”), in substantially the form annexed to the proposed Interim Order and proposed Final Order as Exhibit 3, which describes specifically and in detail the Proposed Stock Acquisition Transaction. At the election of the filing Person, the Stock Acquisition Notice to be filed with this Court (but not the Stock Acquisition Notice that is served upon the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of Hi-Crush Stock beneficially owned and to be acquired.

(iii) Disposition of Hi-Crush Stock. At least twenty calendar days prior to the proposed date of any transfer of Hi-Crush Stock that would result in a decrease in the amount of Hi-Crush Stock beneficially owned by any Person that prior to such transfer is a Substantial Stockholder (a “**Proposed Stock Transfer**”), such Person or Substantial Stockholder (a “**Proposed Stock Transferor**”) shall file with this Court and serve upon the Disclosure Parties a notice of such Proposed Stock Transferor’s intent to transfer Hi-Crush Stock (a “**Stock Transfer Notice**”), in substantially the form annexed to the proposed Interim Order and proposed Final Order as Exhibit 4, which describes specifically and in detail the Proposed Stock Transfer. At the election of the filing Person, the Stock Transfer Notice to be filed with this Court (but not the Stock Transfer

Notice that is served upon the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of Hi-Crush Stock beneficially owned and to be transferred.

(iv) Objection Procedures. The Debtors, counsel to the Ad Hoc Group, and any Official Committee shall have seventeen calendar days after the receipt of a Stock Acquisition Notice or a Stock Transfer Notice (the “**Objection Period**”) to file with this Court and serve on a Proposed Stock Transferee or Proposed Stock Transferor, as applicable, an objection (each, an “**Objection**”) to any Proposed Stock Acquisition Transaction described in such Stock Acquisition Notice or any Proposed Stock Transfer described in such Stock Transfer Notice. If the Debtors, counsel to the Ad Hoc Group or any Official Committee files an Objection by the expiration of the Objection Period (the “**Objection Deadline**”), then the applicable Proposed Stock Acquisition Transaction or Proposed Stock Transfer shall not be effective unless approved by a final and nonappealable order of this Court or such Objection is withdrawn. If none of the Debtors, counsel to the Ad Hoc Group, or any Official Committee file an Objection by the Objection Deadline, or if the Debtors, counsel to the Ad Hoc Group, and any and all Official Committees provide written authorization to the Proposed Stock Transferee or the Proposed Stock Transferor, as applicable, approving the Proposed Stock Acquisition Transaction or Proposed Stock Transfer, then such Proposed Stock Acquisition Transaction or Proposed Stock Transfer may proceed solely as specifically described in the relevant Stock Acquisition Notice or Stock Transfer Notice, as applicable. Any further or alternative Proposed Stock Acquisition Transaction or Proposed Stock Transfer must be the subject of an additional Stock Acquisition Notice or Stock Transfer Notice, as applicable, and Objection Period.

APPLICABLE AUTHORITY

A. The Tax Attributes Are Property of the Debtors' Estates and Are Entitled to Court Protection.

13. In furtherance of the automatic stay provisions of section 362 of the Bankruptcy Code and pursuant to section 105 of the Bankruptcy Code the Debtors seek authority to monitor and approve (or disapprove) certain acquisitions of Hi-Crush Stock to protect against the occurrence of an Ownership Change during the pendency of the Chapter 11 Cases, and thereby to preserve the potential value of the Tax Attributes.

14. It is well established that a debtor's Tax Attributes can constitute property of the bankruptcy estate under section 541 of the Bankruptcy Code and, therefore, courts have the authority to implement protective measures to preserve Tax Attributes. *See, e.g., In re Prudential Lines, Inc.*, 928 F.2d 565, 573 (2d Cir. 1991) ("Including NOL carryforwards as property of a corporate debtor's estate is consistent with Congress' intention to 'bring anything of value that the debtors have into the estate.'") (quoting H.R. Rep. No. 95-595, at 176 (1978)); *In re White Metal Rolling & Stamping Corp.*, 222 B.R. 417, 424 (Bankr. S.D.N.Y. 1998) ("It is beyond peradventure that NOL carrybacks and carryovers are property of the estate of the loss corporation that generated them").

15. Section 362 of the Bankruptcy Code enjoins all entities from, among other things, taking any action to obtain possession of property of or from the estate or to exercise control over property of the estate. Because the Tax Attributes are property of the Debtors' estates, this Court would have the authority, under section 362 of the Bankruptcy Code, to enforce the automatic stay to preserve this potentially valuable estate asset. *See In re Phar-Mor, Inc.*, 152 B.R. 924, 927 (Bankr. N.D. Ohio 1993) (holding that section 362 prohibited the sale of stock in the debtors as an exercise of control of the debtor's NOLs, which were property of the debtors' estate).

16. The seminal case articulating this rule of law is *In re Prudential Lines, Inc.*, in which the United States Court of Appeals for the Second Circuit affirmed the application of the automatic stay to a debtor's tax benefits and upheld a permanent injunction prohibiting a parent company from taking a worthless stock deduction that would have adversely affected the ability of the parent corporation's subsidiary to use its NOLs under section 382 of the Tax Code. *See In re Prudential Lines, Inc.*, 928 F.2d at 573. In addition to finding that the debtor's NOLs are protected by the automatic stay, the Court also held that a bankruptcy court may issue a permanent injunction to protect the debtor's NOLs pursuant to the Court's equitable powers under section 105(a) of the Bankruptcy Code. *Id.* at 574.

B. The Stock Procedures Are Necessary and in the Best Interests of the Debtors, Their Estates, and Their Creditors.

17. The Stock Procedures are necessary to avoid severely impairing the Debtors' ability to use their Tax Attributes. The Debtors' ability to use their Tax Attributes may be seriously impaired unless the Stock Procedures are established immediately and *nunc pro tunc* to the Petition Date to ensure that the acquisition of Hi-Crush Stock is either precluded or closely monitored and made subject to Court approval. Depending on the Debtors' future earnings and the consequences of a restructuring, the Debtors' ability to use the Tax Attributes may enhance the Debtors' prospects for a successful emergence from bankruptcy protection.

18. The Stock Procedures must be implemented as soon as possible. Even if a transfer were to be null and void under section 362 of the Bankruptcy Code or as a result of an order of the Court that prohibited such a transfer retroactively to the Petition Date, such transfer nevertheless may be regarded as having occurred for tax purposes, in which event the Debtors' estates could suffer an irrevocable loss of value. Accordingly, if a transfer occurs that limits the Debtors' ability to use their Tax Attributes under section 382 of the Tax Code, the Debtors' ability to realize the

value of their Tax Attributes may be permanently lost. The relief requested, therefore, is crucial to prevent an irrevocable diminution of the value of the Debtors' estates.

19. It is in the best interests of the Debtors and their stakeholders to restrict stock acquisitions that could result in an Ownership Change *before* the effective date of a chapter 11 plan or any applicable bankruptcy court order. This restriction would permit the Debtors to use the Tax Attributes, if necessary, to offset gain or other income recognized in connection with the Debtors' ownership of their assets and operation of their business.

EMERGENCY CONSIDERATION

20. Pursuant to Bankruptcy Local Rule 9013-1(i), the Debtors respectfully request emergency consideration of this Motion pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first twenty-one days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." The Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and the success of the Chapter 11 Cases. As discussed in detail above and in the First Day Declaration, immediate and irreparable harm would result if the relief requested herein is not granted. The relief requested, therefore, is crucial to prevent an irrevocable diminution of the value of the Debtors' estates. Failure to receive the applicable relief during the first twenty-one days of the Chapter 11 Cases would affect potentially valuable estate assets at this critical juncture. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 as well as the requirements of Bankruptcy Local Rule 9013-1(i) and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

BANKRUPTCY RULE 6004 SHOULD BE WAIVED

21. To the extent that any aspect of the relief sought herein constitutes a use of property under section 363(b) of the Bankruptcy Code, the Debtors request a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen-day stay under Bankruptcy Rule 6004(h). As described above, the relief that the Debtors request in this Motion is immediately necessary in order for the Debtors to be able to continue to operate their businesses and preserve the value of their estates. The Debtors respectfully request that the Court waive the notice requirements imposed by Bankruptcy Rule 6004(a) and the fourteen-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

RESERVATION OF RIGHTS

22. Nothing contained herein is or should 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 the proposed Interim Order or proposed Final Order once entered. Nothing contained in the proposed Interim Order or proposed Final 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.

NOTICE

23. Notice of this Motion will be given to: (i) the United States Trustee for the Southern District of Texas; (ii) the parties included on the Debtors' consolidated list of the holders of the 30 largest unsecured Claims against the Debtors; (iii) Simpson Thacher & Bartlett LLP, as counsel to the agent for the Debtors' prepetition and postpetition secured asset-based revolving credit facility; (iv) U.S. Bank National Association, as indenture trustee for the Debtors' prepetition notes; (v) counsel to the Ad Hoc Group, (a) Paul, Weiss, Rifkind, Wharton & Garrison LLP and (b) Porter Hedges LLP; (vi) Shipman & Goodwin LLP, as counsel to the agent under the Debtors' postpetition term loan facility; (vii) the United States Attorney's Office for the Southern District of Texas; (viii) the registered holders of Hi-Crush Stock as of the date of the filing of the Motion; (ix) the Internal Revenue Service; (x) the Securities and Exchange Commission; (xi) the state attorneys general for states in which the Debtors conduct business; and (xii) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtors submit that no other or further notice is required or needed under the circumstances.

24. A copy of this Motion is available on (i) the Court's website: www.tsx.uscourts.gov, and (ii) the website maintained by the Debtors' proposed Claims and Noticing Agent, Kurtzman Carson Consultants LLC ("**KCC**"), at www.kccllc.net/hicrush.

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WHEREFORE, the Debtors respectfully request that the Court enter the proposed Interim Order and the proposed Final Order, substantially in the forms attached hereto, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Signed: July 12, 2020
Houston, Texas

Respectfully Submitted,

/s/ Timothy A. ("Tad") Davidson II
Timothy A. ("Tad") Davison II (TX Bar No. 24012503)
Ashley L. Harper (TX Bar No. 24065272)
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-and-

George A. Davis (*pro hac vice* admission pending)
Keith A. Simon (*pro hac vice* admission pending)
David A. Hammerman (*pro hac vice* admission pending)
Annemarie V. Reilly (*pro hac vice* admission pending)
Hugh K. Murtagh (*pro hac vice* admission pending)
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Proposed Counsel for the Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

I certify that on July 12, 2020, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

/s/ Timothy A. ("Tad") Davidson II

Timothy A. ("Tad") Davidson II

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

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

**INTERIM ORDER ESTABLISHING NOTIFICATION
PROCEDURES AND APPROVING RESTRICTIONS ON
CERTAIN TRANSFERS OF STOCK OF THE DEBTORS**

[Relates to Motion at Docket No. ____]

Upon the emergency motion (the “**Motion**”)² of the above captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (this “**Interim Order**”) establishing procedures to protect the potential value of net operating loss carryforwards, a net unrealized built-in loss and other tax benefits (collectively, the “**Tax Attributes**”) of one or more of the Debtors for U.S. federal income tax purposes in connection with the reorganization of the Debtors, as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it

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 have the meanings ascribed to such terms in the Motion.

may enter an interim order consistent with Article III of the United States Constitution; and this 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 all objections, if any, to the entry of this Interim Order having been withdrawn, resolved, or overruled; and upon the record herein; and after due deliberation thereon; and the Court having determined that there is good and sufficient cause for the relief granted in the Interim Order, it is hereby

ORDERED THAT:

1. The final hearing (the “**Final Hearing**”) on the Motion shall be held on _____, 2020, at _____.m., prevailing Central Time. Any objections or responses to entry of a final order on the motion shall be filed on or before _____, 2020, at 4:00 p.m., prevailing Central Time.

2. The restrictions, notification requirements, and other procedures annexed hereto as Exhibit 1 (the “**Stock Procedures**”) are hereby approved on an interim basis and shall apply to all trading and transfers of Hi-Crush Stock (as defined in Exhibit 1).

3. Until further order of this Court to the contrary, any acquisition or trading of Hi-Crush Stock in violation of the Stock Procedures shall be null and void *ab initio* as an act in violation of the automatic stay under section 362 of the Bankruptcy Code and/or pursuant to this Court’s equitable powers under section 105(a) of the Bankruptcy Code.

4. Any Person (as defined in Exhibit 1) that acquires Hi-Crush Stock in violation of this Interim Order or the Stock Procedures or that otherwise fails to comply with their requirements, shall be (i) subject to such sanctions as this Court may consider appropriate pursuant to this Court’s equitable power under section 105(a) of the Bankruptcy Code and (ii) required to take remedial actions specified by the Debtors, which may include the actions specified in IRS

Private Letter Ruling 201010009 (Mar. 12, 2010), to appropriately reflect that such transfer is null and void *ab initio*.

5. The notices substantially in the forms annexed hereto as Exhibit 2, Exhibit 3, Exhibit 4, and Exhibit 5 are hereby approved.

6. Within three business days of the entry of this Interim Order, the Debtors shall send the notice of this Interim Order (the “**Notice of Order**”) annexed hereto as Exhibit 5 to all parties that were served with notice of the Motion, publish the Notice of Order once in the national editions of the Houston Chronicle and the Wall Street Journal, and post the Stock Procedures to the website established by KCC for the Chapter 11 Cases (which website address shall be identified in the Notice of Order), such notice being reasonably calculated to provide notice to all parties that may be affected by the Stock Procedures, whether known or unknown, and no further notice of the Stock Procedures shall be necessary.

7. Nothing herein shall preclude any person desirous of acquiring any Hi-Crush Stock from requesting relief from this Interim Order from this Court, subject to the Debtors’ rights to oppose such relief.

8. The relief granted in this Interim Order is intended solely to permit the Debtors to protect, preserve, and maximize the value of their Tax Attributes; accordingly, other than to the extent that this Interim Order expressly conditions or restricts trading in Hi-Crush Stock, nothing in this Interim Order or in the Motion shall, or shall be deemed to, prejudice, impair, or otherwise alter or affect the rights of any holders of Hi-Crush Stock, including in connection with the treatment of any such stock under any chapter 11 plan or any applicable bankruptcy court order.

9. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

10. The automatic stay is hereby modified to the extent necessary to permit the relief requested in the Motion.

11. All time periods set forth in this Interim Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

12. Nothing in the Motion or this Interim Order, or the Debtors' payment of any Claims pursuant to this Interim 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 Interim Order. Nothing contained in this Interim 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.

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

14. The Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Interim Order.

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

Signed: _____, 2020

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1 to Interim Order

Stock Procedures

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

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

**NOTICES, RESTRICTIONS, AND OTHER PROCEDURES
REGARDING OWNERSHIP AND ACQUISITIONS OF STOCK OF THE DEBTORS**

TO ALL PERSONS WITH STOCK OWNERSHIP OF THE DEBTORS:

Pursuant to that certain *Interim Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Stock of the Debtors* (the “**Interim Order**”) entered by the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”) on [●], 2020, Docket No. [●], the following restrictions, notification requirements, and/or other procedures (collectively, the “**Stock Procedures**”) apply to all trading and transfers of stock of the Debtors.

A. HI-CRUSH STOCK RESTRICTIONS

(1) **Definitions.** For purposes of these Stock Procedures, the following terms have the following meanings:

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.

(a) **“Option”** shall mean any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.

(b) **“Hi-Crush Stock”** shall mean common stock issued by Hi-Crush Inc. For the avoidance of doubt, by operation of the definition of “Beneficial ownership,” an owner of an Option to acquire Hi-Crush Stock may be treated as the owner of such Hi-Crush Stock.

(c) **“Beneficial ownership”** of Hi-Crush Stock and Options to acquire Hi-Crush Stock shall be determined in accordance with section 382 of title 26 of the United States Code (the **“Tax Code”**), the regulations promulgated by the U.S. Department of Treasury under the Tax Code (the **“Treasury Regulations”**), and rulings issued by the Internal Revenue Service (the **“IRS”**), and as described herein, and, thus, to the extent provided in those sources, from time to time shall include, without limitation, (i) direct and indirect ownership (but determined without regard to any rule that treats stock of an entity as to which the constructive ownership rules apply as no longer owned by that entity), e.g., a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries, (ii) ownership by a holder’s family members, (iii) ownership by any entity (as such term is defined in Treasury Regulations section 1.382-3(a)), and (iv) to the extent set forth in Treasury Regulations section 1.382-4, the ownership of an Option to acquire Hi-Crush Stock.

(d) **“Person”** shall mean any person, including any “entity” (as such term is defined in Treasury Regulations section 1.382-3(a)) and any group of persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition of Hi-Crush Stock.

(e) “**Substantial Stockholder**” shall mean any Person that beneficially owns at least 4.74 million shares of Hi-Crush Stock (representing approximately 4.75% of all issued and outstanding shares of Hi-Crush Stock).

(2) Notice of Substantial Stock Ownership. Any Person that beneficially owns, at any time on or after the Petition Date, Hi-Crush Stock in an amount sufficient to qualify such Person as a Substantial Stockholder shall file with the Bankruptcy Court, and serve upon: (i) Hi-Crush Inc., 1330 Post Oak Blvd, Suite 600 Houston, Texas 77056 (Attn: Mark C. Skolos, Esq. (email: mskolos@hicrushinc.com)); (ii) proposed co-counsel to the Debtors, Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022 (Attn: Annemarie V. Reilly, Esq. (email: annemarie.reilly@lw.com)) and 330 North Wabash Ave., Suite 2800, Chicago, Illinois 60611 (Attn: Asif Attarwala, Esq. (email: asif.attarwala@lw.com)), (iii) proposed co-counsel to the Debtors, Hunton Andrews Kurth LLP, 600 Travis Street, Suite 4200, Houston, Texas 77002 (Attn: Timothy A. (“Tad”) Davidson II, Esq. and Ashley L. Harper, Esq. (emails: taddavidson@HuntonAK.com, and ashleyharper@HuntonAK.com)), (iv) counsel to that certain ad hoc group of holders of prepetition notes (the “**Ad Hoc Group**”), (a) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019 (Attn: Brian Hermann, Esq. and David Weiss, Esq. (emails: bhermann@paulweiss.com, and emccolm@paulweiss.com)) and (b) Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, TX 77002 (Attn: John F. Higgins, Esq. (email: jhiggins@porterhedges.com)); (v) counsel to any statutory committees appointed in the Chapter 11 Cases (each, an “**Official Committee**”); (vi) counsel to the agent for the Debtors’ prepetition and postpetition secured asset-based revolving credit facility, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017 (Attn: Elisha Graff, Esq. and Daniel L. Biller, Esq. (emails: egraff@stblaw.com, and daniel.biller@stblaw.com)); and (vii) counsel to the agent under the Debtors’ postpetition term loan facility, Shipman & Goodwin LLP, One Constitution Plaza, Hartford, CT 06103 (Attn: Kathleen Lamanna, Esq. (email: klamanna@goodwin.com)) (collectively, the “**Disclosure**”

Parties”), a notice of such Person’s substantial ownership (a “**Substantial Stock Ownership Notice**”), in substantially the form annexed to the Interim Order as Exhibit 2, which describes specifically and in detail such Person’s ownership of Hi-Crush Stock, on or before the date that is five calendar days after the later of (x) the date the order granting the requested relief is entered or (y) the date such Person qualifies as a Substantial Stockholder. At the election of the filing Person, the Substantial Stock Ownership Notice to be filed with the Bankruptcy Court (but not the Substantial Stock Ownership Notice that is served upon the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of Hi-Crush Stock beneficially owned.

(3) Acquisition of Hi-Crush Stock. At least twenty calendar days prior to the proposed date of any transfer of Hi-Crush Stock or exercise of any Option to acquire Hi-Crush Stock that would result in an increase in the amount of Hi-Crush Stock beneficially owned by any Person that currently is or, as a result of the proposed transaction, would be a Substantial Stockholder (a “**Proposed Stock Acquisition Transaction**”), such Person or Substantial Stockholder (a “**Proposed Stock Transferee**”) shall file with this Court and serve upon the Disclosure Parties a notice of such Proposed Stock Transferee’s intent to purchase, acquire, or otherwise accumulate Hi-Crush Stock (a “**Stock Acquisition Notice**”), in substantially the form annexed to the Interim Order as Exhibit 3, which describes specifically and in detail the Proposed Stock Acquisition Transaction. At the election of the filing Person, the Stock Acquisition Notice to be filed with this Court (but not the Stock Acquisition Notice that is served upon the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of Hi-Crush Stock beneficially owned and to be acquired.

(4) Disposition of Hi-Crush Stock. At least twenty calendar days prior to the proposed date of any transfer of Hi-Crush Stock that would result in a decrease in the amount of Hi-Crush Stock beneficially owned by any Person that prior to such transfer is a Substantial Stockholder (a “**Proposed Stock Transfer**”), such Person or Substantial Stockholder (a “**Proposed Stock Transferor**”) shall file with this Court and serve upon the Disclosure Parties a notice of such

Proposed Stock Transferor's intent to transfer Hi-Crush Stock (a "**Stock Transfer Notice**"), in substantially the form annexed to the Interim Order as Exhibit 4, which describes specifically and in detail the Proposed Stock Transfer. At the election of the filing Person, the Stock Transfer Notice to be filed with this Court (but not the Stock Transfer Notice that is served upon the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of Hi-Crush Stock beneficially owned and to be transferred.

(5) **Objection Procedures.** The Debtors, counsel to the Ad Hoc Group, and any Official Committee shall have seventeen calendar days after the receipt of a Stock Acquisition Notice or a Stock Transfer Notice (the "**Objection Period**") to file with this Court and serve on a Proposed Stock Transferee or Proposed Stock Transferor, as applicable, an objection (each, an "**Objection**") to any Proposed Stock Acquisition Transaction described in such Stock Acquisition Notice or any Proposed Stock Transfer described in such Stock Transfer Notice. If the Debtors, counsel to the Ad Hoc Group, or any Official Committee files an Objection by the expiration of the Objection Period (the "**Objection Deadline**"), then the applicable Proposed Stock Acquisition Transaction or Proposed Stock Transfer shall not be effective unless approved by a final and nonappealable order of this Court or such objection is withdrawn. If none of the Debtors, counsel to the Ad Hoc Group, or any Official Committee file an Objection by the Objection Deadline, or if the Debtors, counsel to the Ad Hoc Group, and any and all Official Committees provide written authorization to the Proposed Stock Transferee or the Proposed Stock Transferor, as applicable, approving the Proposed Stock Acquisition Transaction or Proposed Stock Transfer, then such Proposed Stock Acquisition Transaction or Proposed Stock Transfer may proceed solely as specifically described in the relevant Stock Acquisition Notice or Stock Transfer Notice, as applicable. Any further or alternative Proposed Stock Acquisition Transaction or Proposed Stock Transfer must be the subject of an additional Stock Acquisition Notice or Stock Transfer Notice, as applicable, and Objection Period.

B. NONCOMPLIANCE WITH THE PROCEDURES

Any transfer of Hi-Crush Stock in violation of these Stock Procedures shall be null and void *ab initio* as an act in violation of the automatic stay under section 362 of the Bankruptcy Code and pursuant to the Bankruptcy Court's equitable powers under section 105(a) of the Bankruptcy Code. Furthermore, any Person that owns, acquires or disposes of Hi-Crush Stock in violation of these Stock Procedures shall be subject to sanctions as provided by law.

C. DEBTORS' RIGHT TO WAIVE

The Debtors may waive, in writing, any and all restrictions, stays notification and provisions of the Stock Procedures contained in this Notice.

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Exhibit 2 to Interim Order

Notice of Substantial Stock Ownership

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

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

NOTICE OF SUBSTANTIAL STOCK OWNERSHIP

PLEASE TAKE NOTICE that, pursuant to that certain *Interim Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Stock of the Debtors*, dated [●], 2020, Docket No. [●] (with all exhibits thereto, the “**Interim Order**”), [Name of Filer] (the “**Filer**”) hereby provides notice that, as of the date hereof, the Filer beneficially owns:

- (i) [●] shares of Hi-Crush Stock,² and/or
- (ii) Options to acquire [●] shares of Hi-Crush Inc.,

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is [●].

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

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 defined herein have the meanings ascribed to such terms in Exhibit 1 to the Interim Order.

1. For Hi-Crush Stock and/or Options to acquire Hi-Crush Stock that are owned directly by the Filer, the table sets forth (i) the number of such shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options beneficially owned by such Filer and (ii) the date(s) on which such shares and/or Options were acquired (categorized by class, as applicable).

2. In the case of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock that are not owned directly by the Filer but are nonetheless beneficially owned by the Filer, the table sets forth (i) the name(s) of each record or legal owner of such shares of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock that are beneficially owned by the Filer, (ii) the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options beneficially owned by such Filer, and (iii) the date(s) on which such Hi-Crush Stock and/or Options were acquired (categorized by class, as applicable).

<i>Class</i>	<i>Name of Owner</i>	<i>Shares Owned</i>	<i>Shares Underlying Options Owned</i>	<i>Date(s) Acquired</i>
Hi-Crush Stock				

(Attach additional page(s) if necessary.)

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

 [Name of Filer]
 By: _____
 Name: _____
 Address: _____

 Telephone: _____
 Facsimile: _____
 Email: _____
 Date: _____

Exhibit 3 to Interim Order

Notice of Intent to Purchase, Acquire, or Otherwise Accumulate Hi-Crush Stock

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

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

**NOTICE OF INTENT TO PURCHASE, ACQUIRE,
OR OTHERWISE ACCUMULATE HI-CRUSH STOCK**

PLEASE TAKE NOTICE that, pursuant to that certain *Interim Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Stock of the Debtors*, dated [●], 2020, Docket No. [●] (with all exhibits thereto, the “**Interim Order**”), [Name of Filer] (the “**Filer**”) hereby provides notice of (i) its intention to purchase, acquire, or otherwise accumulate directly one or more shares of Hi-Crush Stock² and/or Options to acquire Hi-Crush Stock and/or (ii) a proposed purchase or acquisition of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock that would result in an increase in the number of shares of Hi-Crush Stock and/or number of shares of Hi-Crush Stock underlying Options that are beneficially owned by the Filer (any proposed transaction described in (i) or (ii), a “**Proposed Stock Acquisition**”).

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 defined herein have the meanings ascribed to such terms in Exhibit 1 to the Interim Order.

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. If the Proposed Stock Acquisition involves the purchase or acquisition directly by the Filer of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock, the table sets forth (i) the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options proposed to be purchased or acquired and (ii) the date(s) of such Proposed Stock Acquisition (categorized by class, as applicable).

2. If the Proposed Stock Acquisition involves the purchase or acquisition of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock by a Person other than the Filer, but the Proposed Stock Acquisition nonetheless would increase the number of shares of Hi-Crush Stock and/or number of shares of Hi-Crush Stock underlying Options that are beneficially owned by the Filer, the table sets forth (i) the name(s) of each such Person that proposes to purchase or acquire such shares of Hi-Crush Stock and/or Options, (ii) the number of shares of Hi-Crush Stock and/or number of shares of Hi-Crush Stock underlying Options proposed to be purchased or acquired, and (iii) the date(s) of such Proposed Stock Acquisition (categorized by class, as applicable).

<i>Class</i>	<i>Name of Purchaser or Acquirer</i>	<i>Shares to be Purchased or Acquired</i>	<i>Shares Underlying Options to be Purchased or Acquired</i>	<i>Date(s) of Proposed Stock Acquisition</i>
Hi-Crush Stock				

(Attach additional page(s) if necessary.)

PLEASE TAKE FURTHER NOTICE that the following table summarizes the Filer's Beneficial ownership of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock assuming that the Proposed Stock Acquisition is approved and consummated as described above. The table sets forth, as of immediately following the consummation of the Proposed Stock Acquisition, the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying

Options (i) that would be owned directly by the Filer and, (ii) in the case of any Beneficial ownership by the Filer of Hi-Crush Stock and/or Options that would be owned by another Person as record or legal owner, the name(s) of each prospective record or legal owner and the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options that would be owned by each such record or legal owner (categorized by class, as applicable):

<i>Class</i>	<i>Name of Owner</i>	<i>Shares to Be Owned</i>	<i>Shares Underlying Options to Be Owned</i>
Hi-Crush Stock			

(Attach additional page(s) if necessary.)

PLEASE TAKE FURTHER NOTICE that if the Proposed Stock Acquisition involves a purchase or acquisition of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock directly by the Filer and such Proposed Stock Acquisition would result in (i) an increase in the Beneficial ownership of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock by a Person other than the Filer that currently is a Substantial Stockholder or (ii) a Person's (other than the Filer's) becoming a Substantial Stockholder, the following table sets forth (a) the name of each such Person, (b) the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options that are beneficially owned by such Person currently (i.e., prior to the Proposed Stock Acquisition), and (c) the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options that would be beneficially owned by such Person immediately following the Proposed Stock Acquisition (categorized by class, as applicable).

<i>Class</i>	<i>Name of Beneficial Owner</i>	<i>Shares Owned Currently (i.e., Prior to Proposed Stock Acquisition)</i>	<i>Shares to Be Owned Following Proposed Stock Acquisition</i>	<i>Shares Underlying Options Owned Currently (i.e., Prior to Proposed Stock Acquisition)</i>	<i>Shares Underlying Options to Be Owned Following Proposed Stock Acquisition</i>
Hi-Crush Stock					

(Attach additional page(s) if necessary.)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is [●].

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, this notice (this “**Notice**”) is being filed with the Court and served upon the Debtors, Latham & Watkins LLP and Hunton Andrews Kurth LLP, proposed co-counsel to the Debtors, and other Disclosure Parties provided in the Interim Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, Filer acknowledges that it is prohibited from consummating the Proposed Stock Acquisition unless and until it complies with the procedures set forth in the Interim Order.

PLEASE TAKE FURTHER NOTICE that the Debtors, counsel to the Ad Hoc Group, and any Official Committee have seventeen calendar days after receipt of this Notice to object to the Proposed Stock Acquisition described herein. If the Debtors, counsel to the Ad Hoc Group, or any Official Committee file an Objection, such Proposed Stock Acquisition will remain ineffective unless such Objection is withdrawn or such transaction is approved by a final and nonappealable order of the Court. If none of the Debtors, counsel to the Ad Hoc Group, or any Official Committee

object within such seventeen-calendar-day period, then after expiration of such period the Proposed Stock Acquisition may proceed solely as set forth in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by Filer that may result in it selling, trading, or otherwise transferring Beneficial ownership of shares of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock will each require an additional notice filed with the Court to be served in the same manner as this Notice.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, the Filer hereby declares that he or she has examined this Notice and accompanying attachments (if any), and, to the best of his or her knowledge and belief, this Notice and any attachments hereto are true, correct, and complete.

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Email: _____

Date: _____

Exhibit 4 to Interim Order

Notice of Intent to Transfer Hi-Crush Stock

**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)
 :
 : :
 : (Jointly Administered)
 :
 ----- X

NOTICE OF INTENT TO TRANSFER HI-CRUSH STOCK

PLEASE TAKE NOTICE that, pursuant to that certain *Interim Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Stock of the Debtors*, dated [●], 2020, Docket No. [●] (with all exhibits thereto, the “**Interim Order**”), the undersigned [Name of Filer] (the “**Filer**”) hereby provides notice of (i) its intention to sell, trade, or otherwise directly transfer shares of Hi-Crush Stock² and/or Options to acquire Hi-Crush Stock and/or (ii) a proposed sale, trade, or other transfer of shares of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock that would result in a decrease in the number of shares of Hi-Crush Stock and/or number of shares of Hi-Crush Stock underlying Options that are beneficially owned by the Filer (any proposed transaction described in (i) or (ii), a “**Proposed Stock Transfer**”)

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 defined herein have the meanings ascribed to such terms in Exhibit 1 to the Interim Order.

PLEASE TAKE FURTHER NOTICE that, if applicable, on _____, 2020, Filer filed a notice of status as a Substantial Stockholder with the Court and served copies thereof as set forth in the Interim Order.

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. If the Proposed Stock Transfer involves the transfer directly by the Filer of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock, the table sets forth (i) the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options proposed to be transferred and (ii) the date(s) of such Proposed Stock Transfer (categorized by class, as applicable).

2. If the Proposed Stock Transfer involves the transfer of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock by a Person other than the Filer, but the Proposed Stock Transfer nonetheless would decrease the number of shares of Hi-Crush Stock and/or number of shares of Hi-Crush Stock underlying Options that are beneficially owned by the Filer, the table sets forth (i) the name(s) of each such Person that proposes to transfer such shares of Hi-Crush Stock and/or Options, (ii) the number of shares of Hi-Crush Stock and/or number of shares of Hi-Crush Stock underlying Options proposed to be transferred, and (iii) the date(s) of such Proposed Stock Transfer (categorized by class, as applicable).

<i>Class</i>	<i>Name of Transferor</i>	<i>Shares to be Transferred</i>	<i>Shares Underlying Options to be Transferred</i>	<i>Date(s) of Proposed Stock Transfer</i>
Hi-Crush Stock				

(Attach additional page(s) if necessary.)

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, this notice (this “**Notice**”) is being filed with the Court and served upon the Debtors, Latham & Watkins LLP and Hunton Andrews Kurth LLP, proposed co-counsel to the Debtors, and other Disclosure Parties provided in the Interim Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, Filer acknowledges that it is prohibited from consummating the Proposed Stock Transfer unless and until it complies with the procedures set forth in the Interim Order.

PLEASE TAKE FURTHER NOTICE that the Debtors, counsel to the Ad Hoc Group, and any Official Committee have seventeen calendar days after receipt of this Notice to object to the Proposed Stock Transfer described herein. If the Debtors, counsel to the Ad Hoc Group, or any Official Committee file an Objection, such Proposed Stock Transfer will remain ineffective unless such Objection is withdrawn or such transaction is approved by a final and nonappealable order of the Court. If none of the Debtors, counsel to the Ad Hoc Group, or any Official Committee object within such seventeen-calendar-day period, then after expiration of such period the Proposed Stock Transfer may proceed solely as set forth in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by Filer that may result in it selling, trading, or otherwise transferring Beneficial ownership of shares of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock will each require an additional notice filed with the Court to be served in the same manner as this Notice.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, the Filer hereby declares that he or she has examined this Notice and accompanying attachments (if any), and, to the best of his or her knowledge and belief, this Notice and any attachments hereto are true, correct, and complete.

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone],
(Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Email: _____

Date: _____

Exhibit 5 to Interim Order

Interim Publication Notice

ATTENTION DIRECT AND INDIRECT HOLDERS OF, AND PROSPECTIVE HOLDERS OF, STOCK ISSUED BY HI-CRUSH INC.

Upon the motion (the “**Motion**”) of Hi-Crush Inc. (“**Hi-Crush**”) and its affiliated debtors (collectively, the “**Debtors**”), on July 13, 2020, the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”), having jurisdiction over the chapter 11 cases of the Debtors, captioned as *In re Hi-Crush Inc., et al.*, Case No. 20-33495 (DRJ) (the “**Chapter 11 Cases**”), entered an order establishing procedures (the “**Stock Procedures**”) with respect to direct and indirect trading and transfers of stock of the Debtors.

In certain circumstances, the Stock Procedures restrict transactions involving, and require notices of the holdings of and proposed transactions by, any person or group of persons that is or, as a result of such a transaction, would become a Substantial Stockholder of the common stock issued by Hi-Crush Inc. (the “**Hi-Crush Stock**”). For purposes of the Stock Procedures, a “**Substantial Stockholder**” is any person or, in certain cases, group of persons that beneficially own, directly or indirectly (and/or owns options to acquire) at least 4.74 million shares of Hi-Crush Stock (representing approximately 4.75% of all issued and outstanding shares of Hi-Crush Stock). *Any prohibited transfer of the stock of the Debtors will be null and void ab initio and may lead to contempt, compensatory damages, punitive damages, or sanctions being imposed by the Bankruptcy Court.*

The Stock Procedures are available on the website of Kurtzman Carson Consultants LLC, the Debtors’ Court-approved Claims agent, located at www.kccllc.net/hicrush, and on the docket of the Chapter 11 Cases, Docket No. [●], which can be accessed via PACER at <https://www.pacer.gov>.

The requirements set forth in the Stock Procedures are in addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws and do not excuse noncompliance therewith.

A direct or indirect holder of, or prospective holder of, stock of the Debtors that may be or become a Substantial Stockholder should consult the Stock Procedures.

Dated: Houston, Texas
[●], 2020

BY ORDER OF THE COURT

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

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

**FINAL ORDER ESTABLISHING NOTIFICATION
PROCEDURES AND APPROVING RESTRICTIONS
ON CERTAIN TRANSFERS OF STOCK OF THE DEBTORS**

[Relates to Motion at Docket No. ____]

Upon the emergency motion (the “**Motion**”)² of the above captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (this “**Final Order**”) establishing procedures to protect the potential value of net operating loss carryforwards, a net unrealized built-in loss and other tax benefits (collectively, the “**Tax Attributes**”) of one or more of the Debtors for U.S. federal income tax purposes in connection with the reorganization of the Debtors, as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final

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 have the meanings ascribed to such terms in the Motion.

order consistent with Article III of the United States Constitution; and this 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 all objections, if any, to entry of this Final Order having been withdrawn, resolved, or overruled; and upon the record herein; and after due deliberation thereon; and the Court having determined that there is good and sufficient cause for the relief granted in the Final Order, it is hereby

ORDERED THAT:

1. The restrictions, notification requirements, and other procedures annexed hereto as Exhibit 1 (the “**Stock Procedures**”) are hereby approved on a final basis and shall apply to all trading and transfers of Hi-Crush Stock (as such term is defined in Exhibit 1).

2. Until further order of this Court to the contrary, any acquisition or trading of Hi-Crush Stock in violation of the Stock Procedures shall be null and void *ab initio* as an act in violation of the automatic stay under section 362 of the Bankruptcy Code and/or pursuant to this Court’s equitable powers under section 105(a) of the Bankruptcy Code.

3. Any Person (as defined in Exhibit 1) that acquires Hi-Crush Stock in violation of this Final Order or the Stock Procedures or that otherwise fails to comply with their requirements, shall be (i) subject to such sanctions as this Court may consider appropriate pursuant to this Court’s equitable power under section 105(a) of the Bankruptcy Code and (ii) required to take remedial actions specified by the Debtors, which may include the actions specified in IRS Private Letter Ruling 201010009 (Mar. 12, 2010), to appropriately reflect that such transfer is null and void *ab initio*.

4. The notices substantially in the forms annexed hereto as Exhibit 2, Exhibit 3, Exhibit 4, and Exhibit 5 are hereby approved.

5. Within three business days of the entry of this Final Order, the Debtors shall send the notice of this Final Order (the “**Notice of Order**”) annexed hereto as Exhibit 5 to all parties that were served with notice of the Motion, publish the Notice of Order once in the national editions of the Houston Chronicle and the Wall Street Journal, and post the Stock Procedures to the website established by KCC for the Chapter 11 Cases (which website address shall be identified in the Notice of Order), such notice being reasonably calculated to provide notice to all parties that may be affected by the Stock Procedures, whether known or unknown, and no further notice of the Stock Procedures shall be necessary.

6. Nothing herein shall preclude any Person desirous of acquiring or transferring any Hi-Crush Stock requesting relief from this Final Order from this Court, subject to the Debtors’ rights to oppose such relief.

7. The relief granted in this Final Order is intended solely to permit the Debtors to protect, preserve, and maximize the value of their Tax Attributes; accordingly, other than to the extent that this Final Order expressly conditions or restricts trading in Hi-Crush Stock, nothing in this Final Order or in the Motion shall, or shall be deemed to, prejudice, impair, or otherwise alter or affect the rights of any holders of Hi-Crush Stock, including in connection with the treatment of any such Hi-Crush Stock under any chapter 11 plan or any applicable bankruptcy court order.

8. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

9. The automatic stay is hereby modified to the extent necessary to permit the relief requested in the Motion.

10. All time periods set forth in this Final Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

11. Nothing in the Motion or this Final Order, or the Debtors' payment of any Claims pursuant to this Final 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 Final Order. Nothing contained in this Final 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.

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

13. The Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Final Order.

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

Signed: _____, 2020

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1 to Final Order

Stock Procedures

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

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

**NOTICES, RESTRICTIONS, AND OTHER PROCEDURES
REGARDING OWNERSHIP AND ACQUISITIONS OF STOCK OF THE DEBTORS**

TO ALL PERSONS WITH STOCK OWNERSHIP OF THE DEBTORS:

Pursuant to that certain *Final Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Stock of the Debtors* (the “**Final Order**”) entered by the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”) on [●], 2020, Docket No. [●], the following restrictions, notification requirements, and/or other procedures apply to all trading and transfers of stock of the Debtors (the “**Stock Procedures**”).

A. HI-CRUSH STOCK RESTRICTIONS

(1) **Definitions.** For purposes of the Stock Procedures set forth in this paragraph A, the following terms have the following meanings:

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.

(a) “**Option**” shall mean any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.

(b) “**Hi-Crush Stock**” shall mean common stock issued by Hi-Crush Inc. For the avoidance of doubt, by operation of the definition of “Beneficial ownership,” an owner of an Option to acquire Hi-Crush Stock may be treated as the owner of such Hi-Crush Stock.

(c) “**Beneficial ownership**” of Hi-Crush Stock and Options to acquire Hi-Crush Stock shall be determined in accordance with section 382 of the title 26 of the United States Code (the “**Tax Code**”), the regulations promulgated by the U.S. Department of Treasury under the Tax Code (the “**Treasury Regulations**”), and rulings issued by the Internal Revenue Service (the “**IRS**”), and as described herein, and, thus, to the extent provided in those sources, from time to time shall include, without limitation, (i) direct and indirect ownership (but determined without regard to any rule that treats stock of an entity as to which the constructive ownership rules apply as no longer owned by that entity), e.g., a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries, (ii) ownership by a holder’s family members, (iii) ownership by any entity (as such term is defined in Treasury Regulations section 1.382-3(a)), and (iv) to the extent set forth in Treasury Regulations section 1.382-4, the ownership of an Option to acquire Hi-Crush Stock.

(d) “**Person**” shall mean any person, including any “entity” (as such term is defined in Treasury Regulations section 1.382-3(a)) and any group of persons acting pursuant to a formal or informal understanding among themselves to make a coordinated acquisition of Hi-Crush Stock.

(e) “**Substantial Stockholder**” shall mean any Person that beneficially owns at least 4.74 million shares of Hi-Crush Stock (representing approximately 4.75% of all issued and outstanding shares of Hi-Crush Stock).

(2) Notice of Substantial Stock Ownership. Any Person that beneficially owns, at any time on or after the Petition Date, Hi-Crush Stock in an amount sufficient to qualify such Person as a Substantial Stockholder shall file with the Bankruptcy Court, and serve upon: (i) Hi-Crush Inc., 1330 Post Oak Blvd, Suite 600 Houston, Texas 77056 (Attn: Mark C. Skolos, Esq. (email: mskolos@hicrushinc.com)); (ii) proposed co-counsel to the Debtors, Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022 (Attn: Annemarie V. Reilly, Esq. (email: annemarie.reilly@lw.com)) and 330 North Wabash Ave., Suite 2800, Chicago, Illinois 60611 (Attn: Asif Attarwala, Esq. (email: asif.attarwala@lw.com)), (iii) proposed co-counsel to the Debtors, Hunton Andrews Kurth LLP, 600 Travis Street, Suite 4200, Houston, Texas 77002 (Attn: Timothy A. (“Tad”) Davidson II, Esq. and Ashley L. Harper, Esq. (emails: taddavidson@HuntonAK.com, and ashleyharper@HuntonAK.com)), (iv) counsel to that certain ad hoc group of holders of prepetition notes (the “**Ad Hoc Group**”), (a) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019 (Attn: Brian Hermann, Esq. and David Weiss, Esq. (emails: bhermann@paulweiss.com, and emccolm@paulweiss.com)) and (b) Porter Hedges LLP, 1000 Main Street, 36th Floor, Houston, TX 77002 (Attn: John F. Higgins, Esq. (email: jhiggins@porterhedges.com)); (v) counsel to any statutory committees appointed in the Chapter 11 Cases (each, an “**Official Committee**”); (vi) counsel to the agent for the Debtors’ prepetition and postpetition secured asset-based revolving credit facility, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017 (Attn: Elisha Graff, Esq. and Daniel L. Biller, Esq. (emails: egraff@stblaw.com, and daniel.biller@stblaw.com)); and (vii) counsel to the agent under the Debtors’ postpetition term loan facility, Shipman & Goodwin LLP, One Constitution Plaza, Hartford, CT 06103 (Attn: Kathleen Lamanna, Esq. (email: klamanna@goodwin.com)) (collectively, the “**Disclosure**”

Parties”), a notice of such Person’s substantial ownership (a “**Substantial Stock Ownership Notice**”), in substantially the form annexed to the Final Order as Exhibit 2, which describes specifically and in detail such Person’s ownership of Hi-Crush Stock, on or before the date that is five calendar days after the later of (x) the date the order granting the requested relief is entered or (y) the date such Person qualifies as a Substantial Stockholder. At the election of the filing Person, the Substantial Stock Ownership Notice to be filed with the Bankruptcy Court (but not the Substantial Stock Ownership Notice that is served upon the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of Hi-Crush Stock beneficially owned.

(3) Acquisition of Hi-Crush Stock. At least twenty calendar days prior to the proposed date of any transfer of Hi-Crush Stock or exercise of any Option to acquire Hi-Crush Stock that would result in an increase in the amount of Hi-Crush Stock beneficially owned by any Person that currently is or, as a result of the proposed transaction, would be a Substantial Stockholder (a “**Proposed Stock Acquisition Transaction**”), such Person or Substantial Stockholder (a “**Proposed Stock Transferee**”) shall file with this Court and serve upon the Disclosure Parties a notice of such Proposed Stock Transferee’s intent to purchase, acquire, or otherwise accumulate Hi-Crush Stock (a “**Stock Acquisition Notice**”), in substantially the form annexed to the Final Order as Exhibit 3, which describes specifically and in detail the Proposed Stock Acquisition Transaction. At the election of the filing Person, the Stock Acquisition Notice to be filed with this Court (but not the Stock Acquisition Notice that is served upon the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of Hi-Crush Stock beneficially owned and to be acquired.

(4) Disposition of Hi-Crush Stock. At least twenty calendar days prior to the proposed date of any transfer of Hi-Crush Stock that would result in a decrease in the amount of Hi-Crush Stock beneficially owned by any Person that prior to such transfer is a Substantial Stockholder (a “**Proposed Stock Transfer**”), such Person or Substantial Stockholder (a “**Proposed Stock Transferor**”) shall file with this Court and serve upon the Disclosure Parties a notice of such

Proposed Stock Transferor's intent to transfer Hi-Crush Stock (a "**Stock Transfer Notice**"), in substantially the form annexed to the Final Order as Exhibit 4, which describes specifically and in detail the Proposed Stock Transfer. At the election of the filing Person, the Stock Transfer Notice to be filed with this Court (but not the Stock Transfer Notice that is served upon the Disclosure Parties) may be redacted to exclude the taxpayer identification number and the amount of Hi-Crush Stock beneficially owned and to be transferred.

(5) **Objection Procedures.** The Debtors, counsel to the Ad Hoc Group, and any Official Committee shall have seventeen calendar days after the receipt of a Stock Acquisition Notice or a Stock Transfer Notice (the "**Objection Period**") to file with this Court and serve on a Proposed Stock Transferee or Proposed Stock Transferor, as applicable, an objection (each, an "**Objection**") to any Proposed Stock Acquisition Transaction described in such Stock Acquisition Notice or any Proposed Stock Transfer described in such Stock Transfer Notice. If the Debtors, counsel to the Ad Hoc Group, or any Official Committee files an Objection by the expiration of the Objection Period (the "**Objection Deadline**"), then the applicable Proposed Stock Acquisition Transaction or Proposed Stock Transfer shall not be effective unless approved by a final and nonappealable order of this Court or such objection is withdrawn. If none of the Debtors, counsel to the Ad Hoc Group, or any Official Committee file an Objection by the Objection Deadline, then such Proposed Stock Acquisition Transaction or Proposed Stock Transfer may proceed solely as specifically described in the relevant Stock Acquisition Notice or Stock Transfer Notice, as applicable. Any further or alternative Proposed Stock Acquisition Transaction or Proposed Stock Transfer must be the subject of an additional Stock Acquisition Notice or Stock Transfer Notice, as applicable, and Objection Period.

B. NONCOMPLIANCE WITH THE PROCEDURES

Any acquisition, disposition, or trading of stock of the Debtors in violation of these Stock Procedures shall be null and void *ab initio* as an act in violation of the automatic stay under section 362 of the Bankruptcy Code and pursuant to the Bankruptcy Court's equitable powers under

section 105(a) of the Bankruptcy Code. Furthermore, any Person that acquires Hi-Crush Stock in violation of these Stock Procedures shall be subject to sanctions as provided by law.

C. DEBTORS' RIGHT TO WAIVE

The Debtors may waive, in writing, any and all restrictions, stays, notifications and provisions of the Stock Procedures contained in this Notice.

Exhibit 2 to Final Order

Notice of Substantial Stock Ownership

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

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

NOTICE OF SUBSTANTIAL STOCK OWNERSHIP

PLEASE TAKE NOTICE that, pursuant to that certain *Final Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Stock of the Debtors*, dated [●], 2020, Docket No. [●] (with all exhibits thereto, the “**Final Order**”), [Name of Filer] (the “**Filer**”) hereby provides notice that, as of the date hereof, the Filer beneficially owns:

- (i) [●] shares of Hi-Crush Stock,² and/or
- (ii) Options to acquire [●] shares of Hi-Crush Inc.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is [●].

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

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 defined herein have the meanings ascribed to such terms in Exhibit 1 to the Final Order.

1. For Hi-Crush Stock and/or Options to acquire Hi-Crush Stock that are owned directly by the Filer, the table sets forth (i) the number of such shares and/or the number of shares underlying Options beneficially owned by such Filer and (ii) the date(s) on which such shares and/or Options were acquired (categorized by class, as applicable).

2. In the case of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock that are not owned directly by the Filer but are nonetheless beneficially owned by the Filer, the table sets forth (i) the name(s) of each record or legal owner of such shares of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock that are beneficially owned by the Filer, (ii) the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options beneficially owned by such Filer, and (iii) the date(s) on which such Hi-Crush Stock and/or Options were acquired (categorized by class, as applicable).

<i>Class</i>	<i>Name of Owner</i>	<i>Shares Owned</i>	<i>Shares Underlying Options Owned</i>	<i>Date(s) Acquired</i>
Hi-Crush Stock				

(Attach additional page(s) if necessary.)

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Email: _____

Date: _____

Exhibit 3 to Final Order

Notice of Intent to Purchase, Acquire, or Otherwise Accumulate Hi-Crush Stock

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

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

**NOTICE OF INTENT TO PURCHASE, ACQUIRE,
OR OTHERWISE ACCUMULATE HI-CRUSH STOCK**

PLEASE TAKE NOTICE that, pursuant to that certain *Final Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Stock of the Debtors*, dated [●], 2020, Docket No. [●] (with all exhibits thereto, the “**Final Order**”), [Name of Filer] (the “**Filer**”) hereby provides notice of (i) its intention to purchase, acquire, or otherwise accumulate directly one or more shares of Hi-Crush Stock² and/or Options to acquire Hi-Crush Stock and/or (ii) a proposed purchase or acquisition of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock that would result in an increase in the number of shares of Hi-Crush Stock and/or number of shares of Hi-Crush Stock underlying Options that are beneficially owned by the Filer (any proposed transaction described in (i) or (ii), a “**Proposed Stock Acquisition**”).

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 defined herein have the meanings ascribed to such terms in Exhibit 1 to the Final Order.

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. If the Proposed Stock Acquisition involves the purchase or acquisition directly by the Filer of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock, the table sets forth (i) the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options proposed to be purchased or acquired and (ii) the date(s) of such Proposed Stock Acquisition (categorized by class, as applicable).

2. If the Proposed Stock Acquisition involves the purchase or acquisition of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock by a Person other than the Filer, but the Proposed Stock Acquisition nonetheless would increase the number of shares of Hi-Crush Stock and/or number of shares of Hi-Crush Stock underlying Options that are beneficially owned by the Filer, the table sets forth (i) the name(s) of each such Person that proposes to purchase or acquire such shares of Hi-Crush Stock and/or Options, (ii) the number of shares of Hi-Crush Stock and/or number of shares of Hi-Crush Stock underlying Options proposed to be purchased or acquired, and (iii) the date(s) of such Proposed Stock Acquisition (categorized by class, as applicable).

<i>Class</i>	<i>Name of Purchaser or Acquirer</i>	<i>Shares to be Purchased or Acquired</i>	<i>Shares Underlying Options to be Purchased or Acquired</i>	<i>Date(s) of Proposed Stock Acquisition</i>
Hi-Crush Stock				

(Attach additional page(s) if necessary.)

PLEASE TAKE FURTHER NOTICE that the following table summarizes the Filer's Beneficial ownership of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock assuming that the Proposed Stock Acquisition is approved and consummated as described above. The table sets forth, as of immediately following the consummation of the Proposed Stock Acquisition, the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options (i) that would be owned directly by the Filer and, (ii) in the case of any Beneficial

ownership by the Filer of Hi-Crush Stock and/or Options that would be owned by another Person as record or legal owner, the name(s) of each prospective record or legal owner and the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options that would be owned by each such record or legal owner (categorized by class, as applicable):

<i>Class</i>	<i>Name of Owner</i>	<i>Shares to Be Owned</i>	<i>Shares Underlying Options to Be Owned</i>
Hi-Crush Stock			

(Attach additional page(s) if necessary.)

PLEASE TAKE FURTHER NOTICE that if the Proposed Stock Acquisition involves a purchase or acquisition of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock directly by the Filer and such Proposed Stock Acquisition would result in (i) an increase in the Beneficial ownership of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock by a Person other than the Filer that currently is a Substantial Stockholder or (ii) a Person’s (other than the Filer’s) becoming a Substantial Stockholder, the following table sets forth (a) the name of each such Person, (b) the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options that are beneficially owned by such Person currently (i.e., prior to the Proposed Stock Acquisition), and (c) the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options that would be beneficially owned by such Person immediately following the Proposed Stock Acquisition (categorized by class, as applicable).

<i>Class</i>	<i>Name of Beneficial Owner</i>	<i>Shares Owned Currently (i.e., Prior to Proposed Stock Acquisition)</i>	<i>Shares to Be Owned Following Proposed Stock Acquisition</i>	<i>Shares Underlying Options Owned Currently (i.e., Prior to Proposed Stock Acquisition)</i>	<i>Shares Underlying Options to Be Owned Following Proposed Stock Acquisition</i>
Hi-Crush Stock					

(Attach additional page(s) if necessary.)

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is [●].

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final Order, this notice (this “**Notice**”) is being filed with the Court and served upon the Debtors, Latham & Watkins LLP and Hunton Andrews Kurth LLP, proposed co-counsel to the Debtors, and other Disclosure Parties provided in the Final Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final Order, Filer acknowledges that it is prohibited from consummating the Proposed Stock Acquisition unless and until it complies with the procedures set forth in the Final Order.

PLEASE TAKE FURTHER NOTICE that the Debtors, counsel to the Ad Hoc Group, and any Official Committee have seventeen calendar days after receipt of this Notice to object to the Proposed Stock Acquisition described herein. If the Debtors, counsel to the Ad Hoc Group, or any Official Committee file an Objection, such Proposed Stock Acquisition will remain ineffective unless such Objection is withdrawn or such transaction is approved by a final and nonappealable order of the Court. If none of the Debtors, counsel to the Ad Hoc Group, or any Official Committee object within such seventeen-calendar-day period, then after expiration of such period the Proposed Stock Acquisition may proceed solely as set forth in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by Filer that may result in it selling, trading, or otherwise transferring Beneficial ownership of shares of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock will each require an additional notice filed with the Court to be served in the same manner as this Notice.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, the Filer hereby declares that he or she has examined this Notice and accompanying attachments (if any), and, to the best of his or her knowledge and belief, this Notice and any attachments hereto are true, correct, and complete.

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Email: _____

Date: _____

Exhibit 4 to Final Order

Notice of Intent to Transfer Hi-Crush Stock

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

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

NOTICE OF INTENT TO TRANSFER HI-CRUSH STOCK

PLEASE TAKE NOTICE that, pursuant to that certain *Final Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Stock of the Debtors*, dated [●], 2020, Docket No. [●] (with all exhibits thereto, the “**Final Order**”), the undersigned [Name of Filer] (the “**Filer**”) hereby provides notice of (i) its intention to sell, trade, or otherwise directly transfer shares of Hi-Crush Stock² and/or Options to acquire Hi-Crush Stock and/or (ii) a proposed sale, trade, or other transfer of shares of Hi-Crush Stock³ and/or Options to acquire Hi-Crush Stock that would result in a decrease in the number of shares of Hi-Crush Stock and/or number of shares of Hi-Crush Stock underlying Options that are beneficially owned by the Filer (any proposed transaction described in (i) or (ii), a “**Proposed Stock Transfer**”)

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 defined herein have the meanings ascribed to such terms in Exhibit 1 to the Final Order.

PLEASE TAKE FURTHER NOTICE that, if applicable, on _____, 2020, Filer filed a notice of status as a Substantial Stockholder with the Court and served copies thereof as set forth in the Final Order.

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. If the Proposed Stock Transfer involves the transfer directly by the Filer of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock, the table sets forth (i) the number of shares of Hi-Crush Stock and/or the number of shares of Hi-Crush Stock underlying Options proposed to be transferred and (ii) the date(s) of such Proposed Stock Transfer (categorized by class, as applicable).

2. If the Proposed Stock Transfer involves the transfer of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock by a Person other than the Filer, but the Proposed Stock Transfer nonetheless would decrease the number of shares of Hi-Crush Stock and/or number of shares of Hi-Crush Stock underlying Options that are beneficially owned by the Filer, the table sets forth (i) the name(s) of each such Person that proposes to transfer such shares of Hi-Crush Stock and/or Options, (ii) the number of shares of Hi-Crush Stock and/or number of shares of Hi-Crush Stock underlying Options proposed to be transferred, and (iii) the date(s) of such Proposed Stock Transfer (categorized by class, as applicable).

<i>Class</i>	<i>Name of Transferor</i>	<i>Shares to be Transferred</i>	<i>Shares Underlying Options to be Transferred</i>	<i>Date(s) of Proposed Stock Transfer</i>
Hi-Crush Stock				

(Attach additional page(s) if necessary.)

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final Order, this notice (this “**Notice**”) is being filed with the Court and served upon the Debtors, Latham & Watkins LLP and

Hunton Andrews Kurth LLP, proposed co-counsel to the Debtors, and other Disclosure Parties provided in the Final Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final Order, Filer acknowledges that it is prohibited from consummating the Proposed Stock Transfer unless and until it complies with the procedures set forth in the Final Order.

PLEASE TAKE FURTHER NOTICE that the Debtors, counsel to the Ad Hoc Group, and any Official Committee have seventeen calendar days after receipt of this Notice to object to the Proposed Stock Transfer described herein. If the Debtors, counsel to the Ad Hoc Group, or any Official Committee file an Objection, such Proposed Stock Transfer will remain ineffective unless such Objection is withdrawn or such transaction is approved by a final and nonappealable order of the Court. If none of the Debtors, counsel to the Ad Hoc Group, or any Official Committee object within such seventeen-calendar-day period, then after expiration of such period the Proposed Stock Transfer may proceed solely as set forth in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by Filer that may result in it selling, trading, or otherwise transferring Beneficial ownership of shares of Hi-Crush Stock and/or Options to acquire Hi-Crush Stock will each require an additional notice filed with the Court to be served in the same manner as this Notice.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, the Filer hereby declares that he or she has examined this Notice and accompanying attachments (if any), and, to the best of his or her knowledge and belief, this Notice and any attachments hereto are true, correct, and complete.

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Email: _____

Date: _____

Exhibit 5 to Final Order

Final Publication Notice

ATTENTION DIRECT AND INDIRECT HOLDERS OF, AND PROSPECTIVE HOLDERS OF, STOCK ISSUED BY HI-CRUSH INC.

Upon the motion (the “**Motion**”) of Hi-Crush Inc. (“**Hi-Crush**”) and its affiliated debtors (collectively, the “**Debtors**”), on July 13, 2020, the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”), having jurisdiction over the chapter 11 cases of the Debtors, captioned as *In re Hi-Crush Inc., et al.*, Case No. 20-33495 (DRJ) (the “**Chapter 11 Cases**”), entered an order establishing procedures (the “**Stock Procedures**”) with respect to direct and indirect trading and transfers of stock of the Debtors.

In certain circumstances, the Stock Procedures restrict transactions involving, and require notices of the holdings of and proposed transactions by, any person or group of persons that is or, as a result of such a transaction, would become a Substantial Stockholder of the common stock issued by Hi-Crush Inc. (the “**Hi-Crush Stock**”). For purposes of the Stock Procedures, a “**Substantial Stockholder**” is any person or, in certain cases, group of persons that beneficially own, directly or indirectly (and/or owns options to acquire) at least 4.74 million shares of Hi-Crush Stock (representing approximately 4.75% of all issued and outstanding shares of Hi-Crush Stock). *Any prohibited transfer of the stock of the Debtors will be null and void ab initio and may lead to contempt, compensatory damages, punitive damages, or sanctions being imposed by the Bankruptcy Court.*

The Stock Procedures are available on the website of Kurtzman Carson Consultants LLC, the Debtors’ Court-approved Claims agent, located at www.kccllc.net/hicrush, and on the docket of the Chapter 11 Cases, Docket No. [●], which can be accessed via PACER at <https://www.pacer.gov>.

The requirements set forth in the Stock Procedures are in addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws and do not excuse noncompliance therewith.

A direct or indirect holder of, or prospective holder of, stock of the Debtors that may be or become a Substantial Stockholder should consult the Stock Procedures.

Dated: Houston, Texas
[●], 2020

BY ORDER OF THE COURT