



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: June 01, 2016.

**CRAIG A. GARGOTTA
UNITED STATES BANKRUPTCY JUDGE**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

In re:

**SANJEL (USA) INC., et al.,¹
Debtors in a foreign proceeding.**

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Case No. 16-50778

(Chapter 15)

JOINTLY ADMINISTERED

**FINAL ORDER GRANTING MOTION FOR AN ORDER (I) SPECIFICALLY
RECOGNIZING CANADIAN COURT ORDER AUTHORIZING DEBTORS TO
BORROW UNDER A POST-PETITION CREDIT FACILITY, (II) APPROVING LIENS
ON ASSETS LOCATED IN THE TERRITORIAL JURISDICTION OF THE UNITED
STATES AND (III) GRANTING ADEQUATE PROTECTION
TO PREPETITION SECURED PARTIES**

This matter coming before the Court on the Motion for An Order (I) Specifically Recognizing Canadian Court Order Authorizing Debtors to Borrow Under a Post-Petition Credit Facility, and (II) Approving Liens On Assets Located in the Territorial Jurisdiction of the United States and (III) Granting Adequate Protection to Prepetition Secured Parties (the

¹ The debtors in these jointly administered Chapter 15 cases are as follows: Sanjel Corporation (“Sanjel Corp.”), Suretech Group Ltd. (“Suretech”), Sanjel Energy Services (USA) Inc. (“Sanjel Energy”), Sanjel (USA) Inc. (“SUSA”), Suretech Completions (USA) Inc. (“Suretech USA”), Sanjel Capital (USA) Inc. (“Sanjel Capital”), Terracor Group Ltd. (“Terracor Group”), Terracor (USA) Inc. (“Terracor USA”), Terracor Resources (USA) Inc. (“Terracor Resources”), Terracor Logistics (USA) Inc. (“Terracor Logistics”), and Sanjel Canada Ltd. (collectively, the “Chapter 15 Debtors”).



“Motion”², of PricewaterhouseCoopers Inc. as the foreign representative (the “Foreign Representative”) of the above-captioned debtors (collectively, the “Chapter 15 Debtors”) in proceedings (the “CCAA Proceedings”) commenced under Canada’s Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended, and pending before the Court of Queen’s Bench of Alberta (the “Canadian Court”) and the Chapter 15 Debtors, for entry of an interim and a final order (i) specifically recognizing and giving full force and effect to those provisions of the Initial Order Authorizing the Chapter 15 Debtors to obtain and borrow under the Post-Petition Facility, (ii) approving the granting of first priority, priming liens on the Chapter 15 Debtors’ U.S. Assets as security for the Post-Petition Facility, and (iii) granting adequate protection to the Pre-Petition Secured Parties including the grant of liens and approving the allowance of a superpriority administrative claim against the Chapter 15 Debtors’ estates in favor of the Syndicate, as Pre-Petition Secured Parties; and the Court having reviewed the Motion and the Court’s files, the evidence presented on April 5, 2016, the evidence presented on April 26, 2016, and the evidence presented on May 31, 2016, including the information in the *Notice of Filing of Documents in Support of First Day Filings*; and appropriate and timely notice of the filing of the Motion having been given; and no other further notice being necessary or required; and the Court having determined that the legal and factual bases set forth in the Motion and all other pleadings and proceedings in this case establish just cause to grant the relief ordered herein on a final basis, and after due deliberation therefor,

THE COURT HEREBY FINDS AND DETERMINES THAT:

A. The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this

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

proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue for this proceeding is proper before this Court pursuant to 28 U.S.C. §§ 1410 and 1408.

C. Due and proper notice of the Motion and the interim and final hearings on same were given, which notice is deemed adequate for all purposes and no other further notice is required.

D. The Chapter 15 Debtors would have been unable to obtain financing during the CCAA Proceedings on terms as favorable as those set forth in the Post-Petition Credit Agreement.

E. The Chapter 15 Debtors' entry into the Post-Petition Facility is warranted under the circumstances, is in the best interests of the Chapter 15 Debtors, and is a sound exercise of the Chapter 15 Debtors' business judgment;

F. The use of the Chapter 15 Debtors' assets that are located within the territorial jurisdiction of the United States as Collateral as set forth in the Post-Petition Facility is warranted under the circumstances, is in the best interests of the Chapter 15 Debtors, and is a sound exercise of the Chapter 15 Debtors' business judgment.

G. The relief requested by the Motion is not contrary to the public policy of the United States.

NOW, THEREFORE, THE COURT HEREBY ORDERS, ADJUDGES, AND DECREES AS FOLLOWS:

1. The Motion is granted on a final basis as set forth herein.
2. Those provisions of the Initial Order authorizing the Chapter 15 Debtors to obtain and borrow under the Post-Petition Facility to the full extent (including the ability to borrow up to the full commitment amount of CAD \$ 50 million) permitted pursuant to the Post-Petition Credit Agreement, including, but not limited to, paragraphs 40-45 of the Initial Order, are hereby granted recognition and are given full force and effect in the United States on a final basis.
3. The Chapter 15 Debtors are authorized, pursuant to sections 363, 364 and 1520 of the Bankruptcy Code, to use their assets that are located within the territorial jurisdiction of the United States as Collateral for the Post-Petition Facility, on the terms stated in the Post-Petition Credit Agreement and any ancillary documents and schedules related thereto.
4. Any and all terms of the Post-Petition Facility that relate to or involve the Chapter 15 Debtors, or the Chapter 15 Debtors' assets that are located within the territorial jurisdiction of the United States, are approved.
5. The Foreign Representative and the Chapter 15 Debtors are authorized to take any and all actions they deem necessary or appropriate to effectuate the transactions set forth in the Post-Petition Credit Agreement, insofar as such transactions relate to or involve the Chapter 15 Debtors or the assets of the Chapter 15 Debtors that are located within the territorial jurisdiction of the United States.
6. In connection with all advances under the Post-Petition Facility and pursuant to the terms of the Post-Petition Credit Agreement, the Syndicate, through the Agent, are granted fully perfected and first priority, priming liens and security interests under 11 U.S.C. § 364(d) in

the Collateral owned by the Chapter 15 Debtors and located in the territorial jurisdiction of the United States, subject only to the Administrative Charge, and provided, however, notwithstanding any provisions of the prior interim orders on the Motion or this Final Order, the ad valorem tax liens currently held by the various Texas ad valorem tax entities shall neither be primed by nor subordinated to any liens granted herein.

7. As adequate protection for use of their cash collateral and granting of the priming liens under the Post-Petition Credit Agreement, the Pre-Petition Secured Parties are granted adequate protection by:

- (a) the granting of valid, binding, enforceable and perfected security interests and liens (collectively, the “Adequate Protection Liens”) to the Pre-Petition Secured Parties in the U.S. Assets to secure the amount of their indebtedness equal to any Diminution in Value, which Adequate Protection Liens shall be junior to the first ranking charge and liens securing the obligations under the Post-Petition Credit Agreement and the other Canadian Charges; (b) the granting of an allowed superpriority administrative expense claim to the Pre-Petition Secured Parties in an amount equal to any Diminution in Value, subject and subordinate only to the Canadian Charges and the obligations under the Post-Petition Credit Agreement;
- (c) the Chapter 15 Debtors’ payment, at the request of the Agent from time to time, the reasonable and documented fees and expenses incurred by Wachtell, Lipton, Rosen & Katz, Blake Cassels & Graydon LLP, Langley & Barrack Incorporated, and Ernst & Young Inc., as advisors to the Pre-Petition Secured Parties, whether incurred before or after the Petition Date; and (d) any payments or repayments of any kind made on the Post-Petition Credit Facility shall be

deemed to be made, first, from the proceeds of any assets or property of the Chapter 15 Debtors which do not constitute Pre-Petition Collateral, prior to any payments or repayments being made on the Post-Petition Credit Agreement from the proceeds of Pre-Petition Collateral (collectively, the provisions in (a) through (d) above, are referred to as the “Syndicate Adequate Protection”). The foregoing Syndicate Adequate Protection shall not prejudice, impair, or otherwise affect the rights of the Pre-Petition Secured Parties to seek any other or supplemental relief in respect of their adequate protection rights.

8. As the Post-Petition Credit Agreement was negotiated at arm’s length, in good faith, and was approved by the Canadian Court as being necessary and appropriate for the Chapter 15 Debtors, pursuant to 11 U.S.C. § 364(e), if any of the provisions of this Order related to the secured financing under the Post-Petition Credit Agreement or the Syndicate Adequate Protection shall subsequently be stayed, modified, amended, reversed or vacated in whole or in part (collectively, a “Modification”), whether by subsequent order of this Court or an appeal of this Order, such Modification shall not impair, limit or diminish the protections, rights or remedies of the Syndicate and Agent under the this Order (as entered prior to the Modification) or under the Post-Petition Credit Agreement or the Guarantee, including with respect to any advance made prior to the entry of the Modification.

9. This Order shall be immediately effective and enforceable upon its entry to avoid immediate and irreparable harm to the Chapter 15 Debtors.

10. Notwithstanding any other language in this Final Order or the Post-Petition Credit Agreement or any request in the Motion, the Collateral for any advances under the Post-Petition Facility and any Adequate Protection Liens shall not include any leased equipment or other

leased assets that are covered by any lease agreements in effect between Webster Capital Finance, Inc., Fifth Third Equipment Finance Company, Banc of America Leasing & Capital, LLC, Wells Fargo Equipment Finance, Inc. or CIT Finance, LLC , on the one hand, and Sanjel (USA), Inc., Sanjel Group Ltd. or any Chapter 15 Debtor, on the other hand.

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