FORM 49
[RULE 13.19]

CLERK'S STAMP

CLERK OF THE COURT
FILED
AUG 12 2020
JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER	2001-08972
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c C-36, as amended
	APPLICATION OF BJ SERVICES HOLDINGS CANADA, ULC
DOCUMENT	**AFFIDAVIT VOLUME 1 of 2**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BENNETT JONES LLP** Barristers and Solicitors 4500 Bankers Hall East 855-2nd Street SW Calgary, Alberta T2P 4K7 Attention: Kelsey Meyer / Keely Cameron Telephone No.: 403-298-3323 / 403-298-3324 Fax No.: 403-265-7219 Client File No.: 78081-9

AFFIDAVIT #3 OF WARREN ZEMLAK

Sworn on August 12, 2020

I, Warren Zemlak, of Tomball, Texas, SWEAR AND SAY THAT:

1. I am the President and Chief Executive Officer of BJ Services, LLC, and am the President and a director of its subsidiary, BJ Services Holdings Canada, ULC ("**BJ Canada**"), and as such, have personal knowledge of the matters hereinafter deposed to, except where otherwise stated to be based upon information and belief, in which case I verily believe the same to be true.

2. I make this Affidavit (my "**Affidavit #3**") supplementary to my previous Affidavits in these proceedings (my "**Affidavit #1**"). Capitalized terms used in my Affidavit #3 that are not otherwise defined herein shall bear the meanings given in my Affidavit #1.

The Chapter 11 Proceedings Update

3. On July 20, 2020, BJ Canada and certain of its affiliates, BJ Services, LLC, BJ Management Services, L.P. and BJ Services Management Holdings Corp. (collectively, and together with BJ Canada, the "**Chapter 11 Debtors**") commenced Chapter 11 Proceedings in the United States Bankruptcy Court, Southern District of Texas (the "**U.S. Bankruptcy Court**"), pursuant to title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "**U.S. Bankruptcy Code**").

4. On July 28, 2020, this Honourable Court recognized the Chapter 11 Proceedings in respect of BJ Canada as foreign main proceedings and granted certain ancillary relief including recognition of certain orders granted in the Chapter 11 Proceedings.

5. Also on July 28, 2020, a committee of unsecured creditors was appointed by the Office of the United States Trustee (the "**U.S. Trustee**") in relation to the Chapter 11 Proceedings. Attached hereto as **Exhibit "1"** is a copy of the Notice of Appointment.

6. As set out in my Affidavit #1, despite the Chapter 11 Debtors' best efforts, they were unable to agree with their secured creditors upon a consensual restructuring prior to commencing the Chapter 11 Proceedings. In order to continue to explore the possibility of a restructuring as well as options to save jobs, the Chapter 11 Debtors and their secured creditors entered into mediation with Chief Judge David Jones on Thursday, July 23, 2020.

7. Based on discussions with their various constituencies over the course of the mediation and in consultation with Chief Judge Jones, the Chapter 11 Debtors have shifted their focus to two going-concern sales: the sale of the Chapter 11 Debtors' cementing business (the "**Cementing Business Transaction**") and the sale of four of the Chapter 11 Debtors' fracturing business fleets and certain intellectual property (the "**Fracking Fleet Transaction**"), in order to provide urgently-needed liquidity to the Chapter 11 Debtors.

The Fracking Fleet Transaction includes assets of BJ Canada. Both the Cementing Business Transaction and the Fracking Fleet Transaction involve stalking horse asset purchase agreements.

8. The Chapter 11 Debtors have not foreclosed the possibility of reaching agreement with their stakeholders on a consensual Chapter 11 plan, and will endeavour to seek confirmation of a plan following consummation of the sale transactions.

9. If approved, it is anticipated that the Cementing Business Transaction and the Fracking Fleet Transaction would collectively save approximately 600 jobs, including 76 jobs in Canada as a result of the Fracking Fleet Transaction, and generate significant liquidity for the estates.

10. As a result of the fact that BJ Services, LLC owns certain intellectual property and other assets in Canada, and that a sale of those assets would require Canadian recognition of any Order of the U.S. Bankruptcy Court approving such a sale, on August 10, 2020, the U.S. Bankruptcy Court granted the First Amended Order Authorizing BJ Services Holdings Canada, ULC to Act as Foreign Representative Pursuant To 11 U.S.C. § 1505, (the "**Amended Foreign Representative Order**") which authorizes BJ Canada to act as foreign representative on behalf of the estates of BJ Canada and BJ Services, LLC. Attached hereto as **Exhibit "2"** is a true copy of the Amended Foreign Representative Order, filed with the U.S. Bankruptcy Court on August 10, 2020.

11. Attached hereto as **Exhibit "3"** is a true copy of the Petition filed on behalf of BJ Services, LLC with the U.S. Bankruptcy Court on July 20, 2020, which commenced the Chapter 11 Proceedings in relation to BJ Services, LLC.

12. I am advised by counsel for the Company that the U.S. Bankruptcy Court does not provide certified copies of orders or petitions.

13. In my capacity as the President, Chief Executive Officer of BJ Services, LLC, and in my capacity as the President and a director of BJ Canada, I am not aware of any other foreign proceedings in respect of BJ Services, LLC, other than its Chapter 11 Proceedings.

Recognition of the Chapter 11 Proceedings in relation to BJ Services, LLC

14. As is set out in my Declaration declared in the Chapter 11 Proceedings on July 20, 2020, attached as **Exhibit "2"** to my Affidavit #1, BJ Services, LLC was incorporated pursuant to the laws of the State of Delaware, and is the direct or indirect parent company of the other Chapter 11 Debtors. BJ Services, LLC is not extra-provincially registered in Canada.

15. My Declaration in the Chapter 11 Proceedings on July 20, 2020 includes further information regarding BJ Services, LLC.

16. As is set out in my Affidavit #1, the Company operates as a functionally integrated group. It is consolidated financially, and is operated by division, rather than by location. Its management, including the management of BJ Services, LLC, is carried out from its corporate headquarters in Tomball, Texas.

17. BJ Services, LLC does not have any offices, facilities, employees or operations in Canada (or in any other jurisdiction other than in the United States). Its only assets in Canada are intellectual property assets and some equipment. Attached hereto as **Exhibit "4"** is an Alberta Personal Property Registry search result for BJ Services, LLC, referencing a security agreement between BJ Services, LLC and ARI Financial Services Inc. as secured creditor over certain equipment. Otherwise, I am not aware of any other secured creditors of BJ Services, LLC in Canada.

18. With respect to the Canadian intellectual property owned by BJ Services, LLC, attached hereto as **Exhibit "5"** are true copies of screenshots of the Canadian Trademark Database and of the Canadian Patents Database search results dated August 5, 2020 for BJ Services, LLC as "owner" (both of which are located on the Canadian Intellectual Property Office website), listing the Canadian registered trademarks or pending trademark applications in Canada, and Canadian registered patents or pending patent applications in Canada, respectively, owned by BJ Services, LLC.

19. The directors of BJ Services, LLC are:

(a) Warren Zemlak;

(b) Dorothy M. Ables;

(c) Jeffrey Dane;

(d) Brian Worrell;

(e) Sean Martyn;

(f) Derek Mathieson; and

(g) Scott Lebovitz.

20. All of the directors of BJ Services, LLC reside in the United States, other than Mr. Martyn who is a resident of the United Kingdom. Paragraph 32 of my Affidavit #1 sets out the members of BJ Services, LLC's executive team, all of whom operate out of Tomball, Texas.

21. The Company seeks to protect its interests, including the interests of BJ Canada and of BJ Services, LLC, in Canada. The Company seeks to ensure that potential Canadian parties-in-interest have the opportunity to be heard in a convenient forum, and further, to ensure coordination and consistency as between these proceedings and the Chapter 11 Proceedings, so as to protect and maximize the value of the assets and estates of each of BJ Canada and BJ Services, LLC. In particular, upon the U.S. Bankruptcy Court granting any Order approving a sale of Canadian assets of BJ Services, LLC or of BJ Canada, BJ Canada intends to seek this Honourable Court's recognition of that Order.

22. It is desirable that the wind-down of the Chapter 11 Debtors be coordinated and that multiplicity of proceedings in two different jurisdictions be avoided, and as such, the Company seeks recognition by this Court of the Chapter 11 Proceedings with respect to BJ Services, LLC (in addition to the recognition already granted by this Court of the Chapter 11 Proceedings with respect to BJ Canada).

23. Separate plenary proceedings in Canada pursuant to the CCAA would add to the already significant costs associated with the Chapter 11 Proceedings without any real attendant benefit to the stakeholders.

Relief Sought

BJ Canada as Foreign Representative of BJ Services, LLC; Recognition of Foreign Main Proceedings:

24. BJ Canada seeks an Order amending the Order granted by this Honourable Court on July 28, 2020 in these proceedings to:

(a) appoint BJ Canada as the foreign representative of BJ Services, LLC;

(b) recognize the Chapter 11 Proceedings in relation to BJ Services, LLC as "foreign main proceedings";

(c) grant a stay of proceedings with respect to BJ Services, LLC; and

(d) other relief as set out in the proposed form of Order attached as Schedule "A" to the Application filed herewith;

in addition to the relief previously granted by this Honourable Court in its Order granted in these proceedings on July 28, 2020.

Recognition of the Amended Foreign Representative Order:

25. BJ Canada seeks an Order recognizing in Canada and enforcing the Amended Foreign Representative Order, attached hereto as **Exhibit "2"**, which authorizes BJ Canada to act as foreign representative on behalf of the estates of BJ Canada and BJ Services, LLC. The motion for the Foreign Representative Order is attached as **Exhibit "10"** to my Affidavit #1, and sets out the grounds for the same.

Recognition of the Second Interim Cash Collateral Order:

26. BJ Canada seeks an Order recognizing in Canada and enforcing the Second Interim Order (I) Authorizing Debtors to Use Cash Collateral Pursuant To Section 363(c) of the Bankruptcy Code, (II) Granting Adequate Protection to the Prepetition Secured Parties,

(III) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(b), and (IV) Granting Related Relief, granted by the U.S. Bankruptcy Court on August 3, 2020 (the "**Second Interim Cash Collateral Order**"). The motion for the Cash Collateral Order is attached as **Exhibit "14"** to my Affidavit #1. Attached hereto as **Exhibit "6"** is a true copy of the Second Interim Cash Collateral Order. The Chapter 11 Debtors intend to apply to the U.S. Bankruptcy Court for a final Cash Collateral Order at a later date. The motion for the Interim Cash Collateral Order sets out the grounds for the same, and the Second Interim Cash Collateral Order, *inter alia*: (a) authorizes the Chapter 11 Debtors to continue to use the cash collateral of the Prepetition ABL Secured Parties, CLMG Collateral of the CLMG Secured Parties and GACP Collateral of the GACP Secured Parties (as those terms are defined therein) in accordance with the terms and conditions set forth therein, (b) grants superpriority claims and automatically perfected liens, security interests and other adequate protection, as applicable, to the Prepetition ABL Secured Parties, CLMG Secured Parties and the GACP Secured Parties to the extent of any diminution in value of their interest in the Prepetition ABL Collateral, including Cash Collateral, in the CLMG Collateral, as applicable, or in the GACP Collateral, as applicable, under or in connection with the Prepetition ABL Loan Documents, the CLMG Term Loan Agreement, or the GACP Term Loan Agreement (as those terms are defined therein), (c) subject to certain challenge rights of certain parties in interest, approves certain stipulations by the Chapter 11 Debtors with respect to the Prepetition ABL Loan Documents, CLMG Term Loan Credit Agreement, and the liens and security interests arising therefrom, (d) vacates and modifies the automatic stay imposed by section 362 of the U.S. Bankruptcy Code; (e) subject to the Final Order, waives the Chapter 11 Debtors' right to assert with respect to the Prepetition ABL Collateral, the Cash Collateral or the Adequate Protection Collateral (as defined therein), any claims to surcharge pursuant to section 506(c) of the U.S. Bankruptcy Code, any "equities of the case" exception pursuant to section 552(b) of the U.S. Bankruptcy Code and the equitable doctrine of marshalling or any similar doctrine, (f) schedules a final hearing to consider entry of a final order, (g) waives any applicable stay with respect to the effectiveness and enforceability of the Second Interim Cash Collateral Order, and (f) grants related relief.

Recognition of Second Interim Cash Management Order:

27. BJ Canada seeks an Order recognizing in Canada and enforcing the Second Interim Order Authorizing the Debtors to Continue to (I) Operate Their Cash Management System and Maintain Existing Bank Accounts, and (II) Perform Limited Intercompany Transactions, granted by the U.S. Bankruptcy Court on July 31, 2020 (the "**Second Interim Cash Management Order**"). The motion for the Cash Management Order is attached as **Exhibit "16"** to my Affidavit #1. Attached hereto as **Exhibit "7"** is a true copy of the Second Interim Cash Management Order. A final hearing before the U.S. Bankruptcy Court on the motion for a final Cash Management Order is scheduled for August 26, 2020. The motion for the Second Interim Cash Management Order sets out the grounds for the same, and the Second Interim Cash Management Order authorizes the Chapter 11 Debtors to, *inter alia*: (a) continue to operate their Cash Management System (as defined therein); (b) honour their prepetition obligations related thereto, including the Bank Fees (as defined therein); (c) continue to perform Intercompany Transactions (as defined therein) to the limited extent set forth therein; (d) maintain existing Business Forms (as defined therein); and (e) maintain the Investment Practices (as defined therein) consistent with historical practice.

Recognition of Second Interim Critical Vendors and Lienholders Order:

28. BJ Canada seeks an Order recognizing in Canada and enforcing the Second Interim Order (I) Authorizing the Debtors to Pay Certain Prepetition Claims On Account of (A) Critical Vendors Claims, (B) Lien Claims, and (C) 503(b)(9) Claims, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief, granted by the U.S. Bankruptcy Court on July 29, 2020 (the "**Second Interim Critical Vendors and Lienholders Order**"). The motion for the Critical Vendors and Lienholders Order is attached as **Exhibit "18"** to my Affidavit #1. Attached hereto as **Exhibit "8"** is a true copy of the Second Interim Critical Vendors and Lienholders Order. A final hearing before the U.S. Bankruptcy Court on the motion for a final Critical Vendors and Lienholders Order is scheduled for August 26, 2020. The motion for the Second Interim Critical Vendors and Lienholders Order sets out the grounds for the same, and the Second Interim Critical Vendors and Lienholders Order authorizes but

does not direct the Chapter 11 Debtors to *inter alia:* (a) pay certain prepetition (i) Critical Vendor Claims, (ii) Mineral Contractor Claims, (iii) Shipping Claims, and (iv) 503(b)(9) Claims (as each of those terms are defined therein), provided that the Chapter 11 Debtors are not authorized to pay any amounts under the Second Interim Critical Vendor and Lienholders Order to any Specified Trade Claimant (as defined therein) that is not expected to provide goods and services to the Chapter 11 Debtors on or prior to the final hearing; (b) confirms the administrative expense priority status of Outstanding Orders and authorizes but does not direct payment of such obligations in the ordinary course of business consistent with the parties' customary practices in effect prior to the Petition Date; and (c) grants related relief.

Recognition of Surety Bond Order

29. BJ Canada seeks an Order recognizing in Canada and enforcing the Order (I) Authorizing the Debtors to Continue Their Surety Bond Program, and (II) Granting Related Relief, granted by the U.S. Bankruptcy Court on July 29, 2020 (the "**Surety Bond Order**"). Attached hereto as **Exhibits "9"** and **"10"** are true copies of the motion for the Surety Bond Order and the Surety Bond Order. The motion for the Surety Bond Order sets out the grounds for the same, and the Surety Bond Order, *inter alia,* (a) authorizes the Chapter 11 Debtors to maintain, renew and modify their Surety Bond Program (as defined therein) – including but not limited to the procurement of new sureties – in the ordinary course of business on a postpetition basis and pay outstanding prepetition amounts, if any, as of the Petition Date (as defined therein); and (b) grants related relief.

Recognition of Taxes Order:

30. BJ Canada seeks an Order recognizing in Canada and enforcing the Order (I) Authorizing the Payment of Certain Prepetition Taxes and Fees, and (II) Granting Related Relief, granted by the U.S. Bankruptcy Court on July 29, 2020 (the "**Taxes Order**"). Attached hereto as **Exhibits "11"** and **"12"** are true copies of the motion for the Taxes Order and the Taxes Order. The motion for the Taxes Order sets out the grounds for the same, and the Taxes Order authorizes the Chapter 11 Debtors to, *inter alia*, remit and pay (or use tax credits to offset) the amounts due for Taxes and Fees (as defined therein) in the

ordinary course of business, without regard to whether such obligations accrued or arose before or after the Petition Date, in each case, solely to the extent that such Taxes and Fees become payable in accordance with applicable law for the first six months after the Petition Date and subject to the terms of the Cash Collateral Orders (as defined therein), including the Budget (as defined in the Interim Cash Collateral Order and in the Second Interim Cash Collateral Order) and grants related relief.

31. I am advised that Canadian Courts have previously recognized orders granted by the U.S. Bankruptcy Court that have permitted payment of prepetition taxes. Attached hereto as **Exhibit "13"** are true copies of Recognition Orders granted by the Ontario Superior Court of Justice on August 9, 2019 in the *Matter of Jack Cooper Ventures Inc, et. al* and on April 21, 2020, in the *Matter of Pier 1 Imports, Inc. et al.*

Recognition of Cementing Bidding Procedures Order:

32. BJ Canada seeks an Order recognizing in Canada and enforcing the Order (I) Establishing Bidding Procedures for the Sale of the Cementing Business, (II) Scheduling Bid Deadlines and an Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief, granted by the U.S. Bankruptcy Court on July 29, 2020 (the "**Cementing Bidding Procedures Order**"). Attached hereto as **Exhibits "14"** and **"15"** are true copies of the motion for the Cementing Bidding Procedures Order and the Cementing Bidding Procedures Order. The motion for the Cementing Bidding Procedures Order sets out the grounds for the same, and the Cementing Bidding Procedures Order, *inter alia*, (a) authorizes and approves the Bidding Procedures (as defined therein) for the Sale of the Cementing Business (as those terms are defined therein), (b) establishes certain dates and deadlines including, the Bid Deadline and the date of the Auction (as those terms are defined therein), if any, (c) approves the form and manner of the Auction, if any, and Winning Bidder (as defined therein), (d) approves the Assumption and Assignment Procedures (as defined therein) for the assumption and assignment of certain executory contracts and unexpired leases and related cure amounts, and (e) grants related relief.

Recognition of Fracking Bidding Procedures Order:

33. BJ Canada seeks an Order recognizing in Canada and enforcing the Order (I) Approving the Bidding Procedures With Respect to Certain of the Debtor's Fracking Equipment and Intellectual Property, (II) Scheduling an Auction and a Sale Hearing, (III) Approving the Form and Manner of Notices Related Thereto, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief, granted by the U.S. Bankruptcy Court on July 29, 2020 (the "**Fracking Bidding Procedures Order**"). Attached hereto as **Exhibits "16"** and **"17"** are true copies of the motion for the Fracking Bidding Procedures Order and the Fracking Bidding Procedures Order granted by the U.S. Bankruptcy Court. The motion for the Fracking Bidding Procedures Order sets out the grounds for the same, and the Fracking Bidding Procedures Order, *inter alia*, (a) authorizes and approves the Bidding Procedures (as defined therein) for the Sale of the Assets (as those terms are defined therein), (b) establishes certain dates and deadlines including, the Bid Deadline and the date of the Auction (as those terms are defined therein), if any, (c) approves the form and manner of the Auction, if any, and the Sale Hearing (as defined therein), (d) approves the Assumption and Assignment Procedures (as defined therein) for the assumption and assignment of certain executory contracts and unexpired leases and related cure amounts, and (e) grants related relief.

Recognition of Rejection – Assumption Procedures Order

34. BJ Canada seeks an Order recognizing in Canada and enforcing the Order (I) Authorizing and Approving Procedures to Assume, Assume and Assign, and Reject Executory Contracts and Unexpired Leases, and (II) Granting Related Relief, granted by the U.S. Bankruptcy Court on July 29, 2020 (the "**Rejection – Assumption Procedures Order**"). Attached hereto as **Exhibits "18"** and **"19"** are true copies of the motion for the Rejection – Assumption Procedures Order and the Rejection – Assumption Procedures Order. The motion for the Rejection – Assumption Procedures Order sets out the grounds for the same, and the Rejection – Assumption Procedures Order authorizes and approves procedures by which the Chapter 11 Debtors (a) may assume, assume and assign, and reject certain of their prepetition executory contracts and unexpired leases, and (b) grants related relief. Attached hereto as **Exhibit "20"** is a true copy of a Notice

of Rejection of Certain Executory Contracts and Unexpired Leases filed with the U.S. Bankruptcy Court on July 31, 2020.

Conclusion

35. BJ Canada expects to return to this Court to seek recognition in Canada and enforcement of further Orders of the U.S. Bankruptcy Court in relation to the above and potentially other motions. In particular:

(a) a hearing is currently scheduled before the U.S. Bankruptcy Court for Friday, August 21, 2020, for approval of a sale in accordance with the Cementing Bidding Procedures Order, the Fracking Bidding Procedures Order, and the motions related thereto. BJ Canada has scheduled hearings before this Honourable Court on August 24, 2020 and August 27, 2020, to seek recognition and enforcement in Canada of the sale approval orders anticipated to be granted by the U.S. Bankruptcy Court on August 21, 2020 or shortly thereafter; and

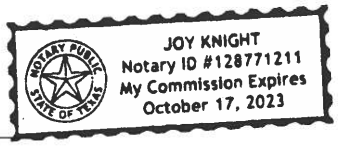
(b) a hearing is currently scheduled before the U.S. Bankruptcy Court for Wednesday, August 26, 2020 at 3:30 p.m. CDT, for approval of final orders in relation to the motions for the Cash Collateral Order, the Cash Management Order, and the Critical Vendors and Lienholders Order. BJ Canada is scheduling a hearing before this Honourable Court to seek recognition and enforcement in Canada of the final orders anticipated to be granted by the U.S. Bankruptcy Court on August 26, 2020.

36. This Affidavit is sworn in support of the relief requested in the Application scheduled for August 14, 2020 and for no other or improper purpose.

SWORN BEFORE ME)
at Tomball, Texas this 12th)
day of August, 2020.)
JOY KNIGHT
Notary ID #128771211
My Commission Expires
October 17, 2023
)
)
A Notary Public in and for) WARREN ZEMLAK
the State of Texas)
)
)

EXHIBIT 1

THIS IS **EXHIBIT "1"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

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

In re:	§	**Case No. 20-33627**
	§	
BJ SERVICES, LLC, *et al.*[1]	§	**Chapter 11 (MI)**
	§	
Debtors	§	**Jointly Administered**

NOTICE OF APPOINTMENT OF OFFICIAL
COMMITTEE OF UNSECURED CREDITORS

TO THE HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE:

COMES NOW the United States Trustee, ("UST") through the undersigned attorney, pursuant to Sec. 1102(a) and 1102(b)(1) of the Bankruptcy Code and hereby appoints following eligible creditors to the official committee of unsecured creditors in the above captioned case:

Gardner Denver Petroleum Pumps, LLC 1800 Gardner Exwy Quincy, IL 62305	James Sheets 706-513-9720 james.sheets@irco.com
Infosys Limited 1 World Trade Center 285 Fulton St., 79th Floor New York, NY 10007	Frank Clark 510-402-3765 frank_clark@infosys.com
SPM Flow Control 7601 Wyatt Drive Fort Worth, TX 76108	Wes E. Wadle 817-653-2475 wes.wadle@mail.weir
DTE Enterprises 2350 W Pinehurst Blvd. Addison, IL 60101	Stephen Gregory 630-307-9355 sgregory@dealerstrans.com
Solvay USA d/b/a Chemplex 504 Carnegie Center Princeton, NJ 08540	Kim Sears 609-860-2244 kim.sears@solvay.com

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

High Roller Sand Operating 1325 South Dairy Ashford Houston, TX 77077	Donald Burell 281-285-1963 dburell@slb.com
Circle Bar A, Inc. 27035 Campbellton Road San Antonia, TX 78264	Charles Metzger 210-626-2272 charlie@circlebara.com

Dated: July 28, 2020

HENRY G. HOBBS, JR.
ACTING UNITED STATES TRUSTEE

By: */s/Stephen D. Statham*
Stephen D. Statham
Trial Attorney
Texas Bar No.19082500/Fed. ID No. 9191
Office of the United States Trustee
515 Rusk Avenue, Suite 3516
Houston, TX 77002
(713) 718-4650 Ext 232
(713) 718-4670 Fax

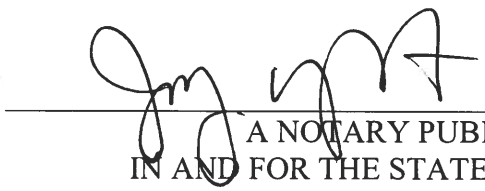
CERTIFICATE OF SERVICE

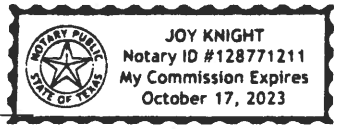
I hereby certify that a true and correct copy of the foregoing Notice of Appointment of Official Committee of Unsecured Creditors has been served by electronic means on all PACER participants on July 28, 2020.

/s/ Stephen D. Statham
Stephen D. Statham
Trial Attorney

EXHIBIT 2

THIS IS **EXHIBIT "2"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020





A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

ENTERED
08/10/2020

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 4**

FIRST AMENDED ORDER AUTHORIZING BJ SERVICES HOLDINGS CANADA, ULC TO ACT AS FOREIGN REPRESENTATIVE PURSUANT TO 11 U.S.C. § 1505

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), authorizing BJ Services Holdings Canada, ULC ("BJ Canada") to act as foreign representative on behalf of the estate of BJ Canada pursuant to 11 U.S.C. § 1505; all as more fully set forth in the Motion; and upon the motion of the Debtors for entry of an amendment to the Order, authorizing BJ Canada to also act as foreign representative on behalf of the estate of BJ Services, LLC; 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 that this Court may enter a final 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors'

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. BJ Canada is hereby authorized to act as the Foreign Representative on behalf of its estate and the estate of BJ Services, LLC in connection with the Canadian Proceeding. As Foreign Representative, BJ Canada shall be authorized and shall have the power to act in any way permitted by applicable foreign law, including (a) seeking recognition of the chapter 11 cases of the Debtors in the Canadian Proceeding, (b) requesting that the Canadian Court lend assistance to this Court in protecting the property of the Debtors, and (c) seeking any other appropriate relief from the Canadian Court that BJ Canada deems just and proper in the furtherance of the protection of the estates of the Debtors.

2. This Court requests the aid and assistance of the Canadian Court to recognize these chapter 11 cases as a "foreign main proceeding" and BJ Canada as a "foreign representative" pursuant to the CCAA, and to recognize and give full force and effect in all provinces and territories of Canada to this Order.

3. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute

any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

4. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Bankruptcy Rules and the Bankruptcy Local Rules are satisfied by such notice.

5. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

6. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

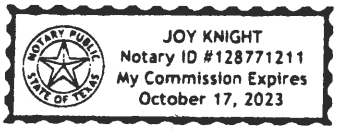
7. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Signed: August 10, 2020

Marvin Isgur
United States Bankruptcy Judge

EXHIBIT 3

THIS IS **EXHIBIT "3"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

Fill in this information to identify the case:	
United States Bankruptcy Court for the: Southern District of Texas (State)	
Case number *(if known):*	Chapter 11

☐ Check if this is an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

02/20

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's Name **BJ Services, LLC**

2. All other names debtor used in the last 8 years

Include any assumed names, trade names, and *doing business as* names

Oil Center Tools LLC

3. Debtor's federal Employer Identification Number (EIN) **81-1373543**

4. Debtor's address

Principal place of business

11211 Farm to Market 2920
Number Street

Tomball, Texas 77375
City State Zip Code

Harris County
County

Mailing address, if different from principal place of business

Number Street

P.O. Box

City State Zip Code

Location of principal assets, if different from principal place of business

Number Street

City State Zip Code

5. Debtor's website (URL) **www.bjservices.com**

6. Type of debtor

☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))

☐ Partnership (excluding LLP)

☐ Other. Specify:

Debtor **BJ Services, LLC** Case number *(if known)* _____
Name

7. Describe debtor's business

A. *Check One:*

☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))

☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))

☐ Railroad (as defined in 11 U.S.C. § 101(44))

☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))

☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))

☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))

☒ None of the above

B. *Check all that apply:*

☐ Tax-exempt entity (as described in 26 U.S.C. § 501)

☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)

☐ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See http://www.uscourts.gov/four-digit-national-association-naics-codes .
2111 (Oil and Gas Extraction)

8. Under which chapter of the Bankruptcy Code is the debtor filing?

Check One:

☐ Chapter 7

☐ Chapter 9

☒ Chapter 11. *Check all that apply:*

☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than $2,725,625 (amount subject to adjustment on 4/01/22 and every 3 years after that).

☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return, or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).

☐ The debtor is a small business as defined in 11 U.S.C. § 101(51D), and it chooses to proceed under Subchapter V of Chapter 11.

☐ A plan is being filed with this petition.

☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).

☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form**.**

☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

If more than 2 cases, attach a separate list.

☒ No
☐ Yes.

District _____ When _____ MM/DD/YYYY Case number _____

District _____ When _____ MM/DD/YYYY Case number _____

Debtor **BJ Services, LLC** Case number *(if known)*
Name

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

List all cases. If more than 1, attach a separate list.

☐ No
☒ Yes. Debtor **See Rider 1** Relationship **Affiliate**
District **Southern District of Texas** When 07/20/2020
MM / DD / YYYY
Case number, if known

11. Why is the case filed in *this* district?

Check all that apply:

☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.

☐ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

☒ No[1]
☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? (*Check all that apply.*)

☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard?

☐ It needs to be physically secured or protected from the weather.

☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

☐ Other

Where is the property?

Number Street

City State Zip Code

Is the property insured?

☐ No

☐ Yes. Insurance agency

Contact name

Phone

Statistical and administrative information[2]

13. Debtor's estimation of available funds

Check one:

☒ Funds will be available for distribution to unsecured creditors.
☐ After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

1 The Debtors engage in oilfield services related to the exploration, development, and production of oil and natural gas. Certain Debtors possess or operate certain real properties where environmental remediation and similar obligations are ongoing. The Debtors note that the term "imminent and identifiable hazard" is not defined in this form; however, the Debtors do not believe they own or possess any real or personal property that poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety.

2 The Debtors' estimated assets, liabilities, and number of creditors noted here are provided on a consolidated basis.

Debtor **BJ Services, LLC** Case number *(if known)*
Name

14. Estimated number of creditors

☐ 1-49	☐ 1,000-5,000	☐ 25,001-50,000
☐ 50-99	☒ 5,001-10,000	☐ 50,001-100,000
☐ 100-199	☐ 10,001-25,000	☐ More than 100,000
☐ 200-999		

15. Estimated assets

☐ $0-$50,000	☐ $1,000,001-$10 million	☒ $500,000,001-$1 billion
☐ $50,001-$100,000	☐ $10,000,001-$50 million	☐ $1,000,000,001-$10 billion
☐ $100,001-$500,000	☐ $50,000,001-$100 million	☐ $10,000,000,001-$50 billion
☐ $500,001-$1 million	☐ $100,000,001-$500 million	☐ More than $50 billion

16. Estimated liabilities

☐ $0-$50,000	☐ $1,000,001-$10 million	☒ $500,000,001-$1 billion
☐ $50,001-$100,000	☐ $10,000,001-$50 million	☐ $1,000,000,001-$10 billion
☐ $100,001-$500,000	☐ $50,000,001-$100 million	☐ $10,000,000,001-$50 billion
☐ $500,001-$1 million	☐ $100,000,001-$500 million	☐ More than $50 billion

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to $500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

17. Declaration and signature of authorized representative of debtor

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on **07/20/2020**
MM/ DD / YYYY

✘ **/s/ Warren Zemlak** **Warren Zemlak**
Signature of authorized representative of debtor Printed name

Title **Chief Executive Officer**

18. Signature of attorney

✘ **/s/ Paul D. Moak** Date **07/20/2020**
Signature of attorney for debtor MM/DD/YYYY

Paul D. Moak
Printed name

Gray Reed & McGraw LLP
Firm name

1300 Post Oak Boulevard, Suite 200
Number Street

Houston **Texas** **77056**
City State ZIP Code

(713) 986-7127 **pmoak@grayreed.com**
Contact phone Email address

00794316 **Texas**
Bar number State

Fill in this information to identify the case:	
United States Bankruptcy Court for the: **Southern District of Texas** (State)	
Case number *(if known):* _____	Chapter 11

,

☐ Check if this is an amended filing

Rider 1
Pending Bankruptcy Cases Filed by the Debtor and Affiliates of the Debtor

On the date hereof, each of the entities listed below (collectively, the "Debtors") filed a petition in the United States Bankruptcy Court for the Southern District of Texas for relief under chapter 11 of title 11 of the United States Code. The Debtors have moved for joint administration of these cases under the case number assigned to the chapter 11 case of BJ Services, LLC.

BJ Services, LLC
BJ Management Services, L.P.
BJ Services Holdings Canada, ULC
BJ Services Management Holdings Corporation

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

In re:	)	Chapter 11
BJ SERVICES, LLC	)	Case No. 20-_____(___)
Debtor.	)	

LIST OF EQUITY SECURITY HOLDERS[1]

Debtor	Equity Holders	Address of Equity Holder	Percentage of Equity Held
BJ Services, LLC	Allied Energy JV Contribution, LLC	1000 Louisiana Street Suite 3850 Houston, Texas 77002	53.06%
BJ Services, LLC	Baker Hughes Oilfield Operations, LLC	17021 Aldine Westfield Road Houston, Texas 77073	46.01%
BJ Services, LLC	Baker Hughes International Holding Company	17021 Aldine Westfield Road Houston, Texas 77073	0.46%
BJ Services, LLC	Zemlak, Warren	Redacted[2]	0.08%
BJ Services, LLC	Barclay, Caleb	Redacted[2]	<0.06%
BJ Services, LLC	Youngblood, Kelly	Redacted[2]	<0.06%
BJ Services, LLC	Bakht, John	Redacted[2]	0.03%
BJ Services, LLC	O'Neal, Malcolm	Redacted[2]	0.03%
BJ Services, LLC	Morris, Christine	Redacted[2]	<0.03%
BJ Services, LLC	Savage, Brent	Redacted[2]	<0.03%
BJ Services, LLC	Fu, Dan	Redacted[2]	0.02%
BJ Services, LLC	Montgomery, Rob	Redacted[2]	0.02%
BJ Services, LLC	Sekias, Gabriel	Redacted[2]	<0.02%
BJ Services, LLC	Allcorn, Marc	Redacted[2]	0.01%

[1] This list serves as the disclosure required to be made by the debtor pursuant to rule 1007 of the Federal Rules of Bankruptcy Procedure. All equity positions listed indicate the record holder of such equity as of June 26, 2020.

[2] Address information for individual holders has been redacted to maintain confidentiality.

BJ Services, LLC	Carter, Lesa	Redacted[2]	0.01%
BJ Services, LLC	Collins, Jim	Redacted[2]	0.01%
BJ Services, LLC	Danby, Scott	Redacted[2]	0.01%
BJ Services, LLC	Krol, Brad	Redacted[2]	0.01%
BJ Services, LLC	McCleary, Matt	Redacted[2]	0.01%
BJ Services, LLC	Tower, Patrick	Redacted[2]	0.01%
BJ Services, LLC	Murphy, Michael	Redacted[2]	<0.01%
BJ Services, LLC	Osmond, Andrea	Redacted[2]	<0.01%

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

In re:	)	Chapter 11
BJ SERVICES, LLC	)	Case No. 20-_____(___)
Debtor.	)	

CORPORATE OWNERSHIP STATEMENT

Pursuant to rules 1007(a)(1) and 7007.1 of the Federal Rules of Bankruptcy Procedure, the following are corporations, other than a government unit, that directly or indirectly own 10% or more of any class of the debtor's equity interest:

Shareholder	Approximate Percentage of Shares Held
Allied Energy JV Contribution, LLC	53.06%
Baker Hughes Oilfield Operations, LLC	46.01%

Fill in this information to identify the case and this filing:
Debtor Name BJ Services, LLC
United States Bankruptcy Court for the: Southern District of Texas
Case number (If known): (State) Texas

Official Form 202
Declaration Under Penalty of Perjury for Non-Individual Debtors 12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to $500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets-Real and Personal Property (Official Form 206A/B)*
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D)*
- ☐ *Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)*
- ☐ *Schedule G: Executory Contracts and Unexpired Leases (Official Form 206G)*
- ☐ *Schedule H: Codebtors (Official Form 206H)*
- ☐ *Summary of Assets and Liabilities for Non-Individuals (Official Form 206Sum)*
- ☐ Amended Schedule
- ☒ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders (Official Form 204)*
- ☒ Other document that requires a declaration **List of Equity Security Holders and Corporate Ownership Statement**

I declare under penalty of perjury that the foregoing is true and correct.

Executed on

07/20/2020
MM/ DD/YYYY

☒ **/s/ Warren Zemlak**
Signature of individual signing on behalf of debtor

Warren Zemlak
Printed name

Chief Executive Officer
Position or relationship to debtor

Fill in this information to identify the case:

Debtor name: BJ Services, LLC, et al.

United States Bankruptcy Court for the: Southern District of Texas

Case number (if known): 20-

☐ Check if this is an amended filing

Official Form 204

Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders, on a Consolidated Basis

12/15

A list of creditors holding the 30 Largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 30 Largest unsecured claims.

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent unliqui-dated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1	GARDNER DENVER PETROLEUM PUMPS LLC 1800 Gardner Exwy Quincy IL 62305-9364	Edward Bayhi remit.qcy@gardnerdenver.com Tel: (217) 222-5400	Trade Vendor	☐ C ☐ U ☐ D			$10,682,824.68
2	SPM FLOW CONTROL 7601 Wyatt Dr Fort Worth TX 76108-2530	Paul Coppinger us007.ar@mail.weir Tel: (817) 246-2461	Trade Vendor	☐ C ☐ U ☐ D			$4,162,266.58
3	CHAMPIONX, LLC 11177 South Stadium Drive Sugar Land TX 77478	Daniel Bradshaw-Hull kimberly.holloman@ecolab.com Tel: (281) 467-3828	Trade Vendor	☐ C ☐ U ☐ D			$3,982,797.77
4	FMC TECHNOLOGIES - FLUID CONTROL 2825 W Washington Stephenville TX 76401	Darren Gilbert fmcar@fmcti.com Tel: (254) 968-2181	Trade Vendor	☐ C ☐ U ☐ D			$3,357,218.90
5	INFOSYS LIMITED Plot No 44 Electronics City Hosur R Bangalore 560100 India	Ramakrishna Routroy ramakrishna_r@infosys.com Tel: 40 2300 5222	IT Services	☐ C ☐ U ☐ D			$3,253,364.53
6	BRAHMA SERVICES, LLC 12377 Merit Drive, Suite 1200 Dallas TX 75251	Ryan Welch gglass@aethonenergy.com Tel: (214) 750-3833	Trade Vendor	☐ C ☐ U ☐ D			$3,232,570.91
7	GARDNER DENVER CANADA CORPORATION 2390 South Service Road Woakville ON M5H 3R3 Canada	Edward Bayhi jane.milligan@gardnerdenver.com Tel: (905) 829-8619	Trade Vendor	☐ C ☐ U ☐ D			$2,878,505.55

Debtor **BJ Services, LLC, et al.** Case number *(if known)* **20-**

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent unliqui-dated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
8	DTE ENTERPRISES, LLC 2350 W Pinehurst Blvd Addison IL 60101	Dave Horvath remittance@dealerstrans.com Tel: (630) 307-9355	Trade Vendor	☐ C ☐ U ☐ D			$2,734,506.12
9	SINGLE LINE TECHNOLOGIES 7211 Gessner Rd Houston TX 77040	Larry Hill scott.t.donaldson@gmail.com Tel: (337) 322-3132	Trade Vendor	☐ C ☐ U ☐ D			$2,390,768.68
10	HIGH ROLLER SAND OPERATING, LLC 203 South 1st Street Lufkin TX 75901	Dave Frattaroli ar@highrollersand.com Tel: (936) 632-6033	Trade Vendor	☐ C ☐ U ☐ D			$1,998,637.79
11	SANDBOX TRANSPORTATION, LLC 24275 Katy Frwy, Ste 600 Katy TX 77494	Josh Mireles jmireles@sandboxlogistics.com Tel: (281) 394-9575	Trade Vendor	☐ C ☐ U ☐ D			$1,954,633.00
12	HI-CRUSH PARTNERS LP Three Riverway Houston TX 77056	Scott Spillars remittance@hicrush.com Tel: (713) 980-6200	Trade Vendor	☑ C ☑ U ☑ D			$1,855,000.00
13	ENGENIUM CHEMICALS (2020) CORP 4333-46 AVE SE Calgary AB T2B 3N5 Canada	Cindy Hoang choang@engeniumchemicals.com Tel: (403) 279-8545	Trade Vendor	☐ C ☐ U ☐ D			$1,842,564.46
14	INFOSYS MCCAMISH SYSTEMS LLC 6425 Powers Ferry Rd Atlanta GA 30339	Ramakrishna Routroy ramakrishna_r@infosys.com Tel: (770) 690-1500	IT Services	☐ C ☐ U ☐ D			$1,650,068.61
15	SOURCE ENERGY SERVICES No 7 7719 Edgar Industrial Dr Red Deer AB T4P 3R2 Canada	Curtis Kisio ar@sourceenergyservices.com Tel: (214) 272-4607	Trade Vendor	☐ C ☐ U ☐ D			$1,438,012.73
16	FRITZ INDUSTRIES INC 500 Sam Houston Rd Mesquite TX 75149-2733	Kristopher Neill ar@fritzind.com Tel: (972) 285-5471	Trade Vendor	☐ C ☐ U ☐ D			$1,366,504.48
17	GCC 600 S Cherry Street Glendale CO 80246	Peggy Thomson pthomson@gcc.com Tel: (605) 721-7035	Trade Vendor	☐ C ☐ U ☐ D			$1,353,464.26
18	CHEMPLEX SOLVAY GROUP 506 County Rd 137 Canada TX 79549-8610	Dru Bishop chemplex.accountsreceivable@solvay.com Tel: (325) 573-7298	Trade Vendor	☐ C ☐ U ☐ D			$1,316,919.11

Debtor **BJ Services, LLC, et al.** Case number *(if known)* **20-**

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent unliqui-dated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
19	SUNITA HYDROCOLLOIDS INC 5444 Westheimer Rd, Suite 1425 Houston TX 77056	Danny Wilson mohit.hissaria@sunitahydrocolloids.com Tel: (832) 581-2156	Trade Vendor	☐ C ☐ U ☐ D			$1,291,572.71
20	SANDBOX LOGISTICS, LLC 24275 Katy Frwy, Ste 600 Katy TX 77494	Shane Nelson customerservice@sandboxlogistics.com Tel: (281) 394-9575	Trade Vendor	☐ C ☐ U ☐ D			$1,214,628.50
21	HERITAGE INTERACTIVE SERVICES LLC 6510 Telecom Drive, Suite 400 Indianapolis IN 46278	Stephen Cushen scushen@heritage-interactive.com Tel: (317) 646-8845	Trade Vendor	☐ C ☐ U ☐ D			$1,210,161.94
22	SOLARIS OILFIELD SITE SERVICES OPER 100 Ross Dr Early TX 76802	Greg Garcia accountsreceivable@solarisoilfield.com Tel: (325) 643-1785	Trade Vendor	☐ C ☐ U ☐ D			$1,179,106.56
23	SIERRA FRAC SAND LLC 1155 E Johnson St Tatum TX 75691-1908	Tyson Strong kristib@kimrsmith.com Tel: (903) 836-4642	Trade Vendor	☐ C ☐ U ☐ D			$1,092,939.80
24	SAMSAND LLC 301 11601 Pleasant Ridge Road Little Rock AR 72212	Brock Brockington nbrockinton@samsand.com Tel: (501) 258-3143	Trade Vendor	☐ C ☐ U ☐ D			$1,035,631.42
25	LAFARGEHOLCIM US 24 Crosby Dr Bedford MA 01730	Ryan Dodd nabs.uscashapps@lafargeholcim.help Tel: (800) 854-4656	Trade Vendor	☐ C ☐ U ☐ D			$1,012,293.83
26	CIRCLE BAR A INC 27035 Campbellton Rd San Antonio TX 78264-4322	Anita Hopkins acct1@circlebara.com Tel: (210) 626-2272	Trade Vendor	☐ C ☐ U ☐ D			$875,931.80
27	WISCONSIN PROPPANTS 300 Schlumberger Drive Sugar Land TX 77478	Erica Guzman EricaGuzman@WisconsinProppants.com Tel: (432) 312-3940	Trade Vendor	☐ C ☐ U ☐ D			$864,955.24
28	TARGET LOGISTICS MANAGEMENT LLC 2170 Buckthorne Place, Suite 440 The Woodlands TX 77380	Andrew Owen aowen@targetlogistics.net Tel: (617) 586-1100	Trade Vendor	☐ C ☐ U ☐ D			$724,832.10
29	PERFORMANCE PROPPANTS LLC 4803 Benton Road Bossier City LA 71111	Bill Bowdon sarah@perfproppants.com Tel: (318) 584-7456	Trade Vendor	☐ C ☐ U ☐ D			$706,734.80

Debtor **BJ Services, LLC, et al.** Case number *(if known)* **20-**

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent unliqui-dated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
30	APPROACH CONTROLS INC 2330 Fish Creek Blvd SW Suite 2434 Calgary AB T2Y 0L1 Canada	Warren Arnholtz warren@approachcontrols.com Tel: (587) 973-7273	Trade Vendor	☐ C ☐ U ☐ D			$660,038.00

OMNIBUS WRITTEN CONSENT IN LIEU OF MEETINGS
OF THE BOARD OF DIRECTORS, BOARD OF MANAGERS,
GENERAL PARTNER, AND SOLE GOVERNING BODY OF

BJ SERVICES, LLC
BJ MANAGEMENT SERVICES, L.P.
BJ SERVICES HOLDINGS CANADA, ULC
BJ SERVICES MANAGEMENT HOLDINGS CORPORATION

July 19, 2020

The undersigned, comprising all of the Independent Directors of BJ Services, LLC, a Delaware limited liability company ("BJ Services"), and the members of the board of managers, directors, general partner, or other governing body, as applicable (collectively, the "Board"), of the applicable entity set forth on Exhibit A attached hereto (collectively and individually, as applicable, the "Company"), with each such Company (other than BJ Services) being an indirect or direct subsidiary of BJ Services, hereby take the following actions and adopt the following resolutions pursuant to, as applicable, the limited liability company agreement, operating agreement, articles, bylaws, partnership agreement, or similar governing document (in each case as amended or amended and restated) of each Company (the "Governing Documents") and the laws of the state or province of formation of each Company as set forth next to each Company's name on Exhibit A;

WHEREAS, on June 26, 2020, the Board of BJ Services delegated Dorothy M. Ables and Jeffrey Dane (the "Independent Directors"), among other things "certain rights, authority, and powers in connection with any matters pertaining to a sale, restructuring, reorganization, or other recapitalization transaction and related financing (each of the foregoing and any combination of the foregoing, a "Restructuring Transaction") in which a conflict exists between the Company, on the one hand, and its shareholders, affiliates, or the Directors other than the Independent Directors, and the Company's officers, on the other hand (the "Conflict Matters")" and the "authority to review and act upon (as set forth herein) any matter arising in or related to a Restructuring Transaction that constitutes a Conflict Matter";

WHEREAS, the Board has been informed of and considered presentations and documentation by management and the Company's financial and legal advisors regarding the liquidity situation and the strategic alternatives available to the Company, including efforts to pursue a going-concern transaction and planning for a liquidation, and the effect of the foregoing on the Company's business;

WHEREAS, the Board had the opportunity to consult with the Company's management and financial and legal advisors and to fully consider and pursue each of the available strategic alternatives to the proposed wind down, including negotiating with all stakeholders regarding the terms of a refinancing, recapitalization, and/or consensual out-of-court or in-court reorganization, and the Board remained apprised of all such efforts; and

WHEREAS, the Board has determined, in light of the circumstances and options available to the Company to maximize the value of the Company for all stakeholders, in the judgment of the

Board, that the following resolutions are advisable and in the best interests of the Company, its equityholders, its creditors, and all other parties in interest.

NOW, THEREFORE, BE IT:

Conflicts Matters

RESOLVED that, the Independent Directors having determined that the decisions contemplated hereunder may be Conflict Matters and as such, the Independent Directors have determined to act with respect to the matters contemplated hereby on behalf of BJ Services.

Chapter 11 and CCAA Filing

RESOLVED, that in the judgment of the Board, it is desirable and in the best interests of the Company, its creditors, and other parties in interest, that each Company shall be, and hereby is, authorized to file or cause to be filed a voluntary petition for relief (such voluntary petition, and the voluntary petitions to be filed by each Company, collectively, the "Chapter 11 Cases") under the provisions of chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court") or other court of competent jurisdiction and shall be and hereby is authorized to file or cause to be filed an application for relief (the proceedings commenced by such application, the "CCAA Proceedings") under the provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") in the Court of Queen's Bench of Alberta (the "Canadian Court"), and any other petition for relief or recognition or other order that may be desirable under applicable law in the United States or Canada; and

RESOLVED FURTHER, that the duly appointed officers of each Company (collectively, the "Authorized Officers"), acting alone or with one or more other Authorized Officers be, and each of them hereby is, authorized, empowered, and directed to execute and file on behalf of each Company for which such Authorized Officers are authorized to act, all petitions, schedules, lists, and other motions, objections, replies, applications, papers, or documents, and to take any and all action that they deem necessary, appropriate, or desirable to obtain such relief, including, without limitation, any action necessary, appropriate, or desirable to maintain the ordinary course operation of the Company's businesses or to assist the Company in the Chapter 11 Cases and the CCAA Proceedings and in carrying out its duties under the provisions of the Bankruptcy Code and the CCAA.

Retention of Professionals

RESOLVED, that each of the Authorized Officers be, and hereby is, authorized and directed to employ the law firm of Kirkland & Ellis LLP and Kirkland & Ellis International LLP (together, "Kirkland"), as general bankruptcy counsel, to represent and assist the Company for which such Authorized Officers are authorized to act in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations, including filing any motions, objections, replies, applications, or pleadings; and in connection therewith, each of the Authorized Officers,

with power of delegation, is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed an appropriate application for authority to retain Kirkland in accordance with applicable law;

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby is, authorized and directed to employ the law firm of Gray, Reed & McGraw LLP ("Gray Reed"), as co-bankruptcy counsel, to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations, including filing any motions, objections, replies, applications, or pleadings; and in connection therewith, each of the Authorized Officers, with power of delegation, is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed an appropriate application for authority to retain Gray Reed in accordance with applicable law;

RESOLVED FURTHER, that each Authorized Officer be, and hereby is, authorized, empowered and directed to employ the law firm of Bennett Jones LLP ("Bennett Jones") as BJ Services Holdings Canada, ULC ("BJ Canada") counsel, to represent and assist BJ Canada in carrying out its duties under the CCAA and the CCAA Proceedings and to take any and all actions to advance the Company's rights and remedies, including filing any pleadings with the Canadian Court on behalf of BJ Canada; and, in connection therewith, each Authorized Officer is, with power of delegation, hereby authorized, empowered and directed to execute appropriate retention agreements, and pay appropriate retainer, and authorized and empowered to cause to be filed an appropriate application for authority to retain Bennett Jones in accordance with applicable law;

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby is, authorized and directed to employ the firm of PJT Partners LP ("PJT"), as investment banker, to represent and assist the Company for which such Authorized Officers are authorized to act in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations, including filing any motions, objections, replies, applications, or pleadings; and in connection therewith, each of the Authorized Officers, with power of delegation, is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed an appropriate application for authority to retain PJT in accordance with applicable law;

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby is, authorized and directed to employ the firm of Ankura Consulting Group, LLC ("Ankura"), as restructuring advisor, to represent and assist the Company for which such Authorized Officers are authorized to act in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations, including filing any motions, objections, replies, applications, or pleadings; and in connection therewith, each of the Authorized Officers, with power of delegation, is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed an appropriate application for authority to retain Ankura in accordance with applicable law;

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby is, authorized and directed to employ Donlin, Recano & Company, Inc. ("DRC"), as notice, claims, and solicitation agent, to represent and assist the Company for which such Authorized Officers are authorized to act in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations, including filing any motions, objections, replies, applications, or pleadings; and in connection therewith, each of the Authorized Officers, with power of delegation, is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed an appropriate application for authority to retain DRC in accordance with applicable law;

RESOLVED FURTHER, that, to the extent needed as part of the chapter 11 cases, each of the Authorized Officers be, and hereby is, authorized and directed to employ the firms of Hilco Valuation Services, LLC, Hilco Industrial, LLC, Hilco Real Estate, LLC, Hilco IP Services, LLC d/b/a Hilco Streambank, Hilco Receivables, LLC, Hilco Appraisal Services CO., HRE Canada ULC, Hilco Industrial Acquisitions Canada ULC, and Hilco Receivables Canada ULC (collectively, "Hilco"), as marketing and selling professionals, to represent and assist the Company for which such Authorized Officers are authorized to act in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations, including filing any motions, objections, replies, applications, or pleadings; and in connection therewith, each of the Authorized Officers, with power of delegation, is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed an appropriate application for authority to retain Hilco in accordance with applicable law;

RESOLVED FURTHER, that, to the extent needed as part of the chapter 11 cases, each of the Authorized Officers be, and hereby is, authorized and directed to employ the firms of Ritchie Bros. Auctioneers (America) Inc., IronPlanet, Inc., Ritchie Bros. Auctioneers (Canada) Ltd. and IronPlanet Canada Ltd. (collectively, "Ritchie"), as marketing and selling professionals, to represent and assist the Company for which such Authorized Officers are authorized to act in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations, including filing any motions, objections, replies, applications, or pleadings; and in connection therewith, each of the Authorized Officers, with power of delegation, is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed an appropriate application for authority to retain Ritchie in accordance with applicable law;

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby is, authorized and directed to employ the firm of PricewaterhouseCoopers LLP ("PwC"), as tax consultant to represent and assist the Company for which such Authorized Officers are authorized to act in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations, including filing any motions, objections, replies, applications, or pleadings; and in connection therewith, each of the Authorized Officers, with power of delegation, is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed an appropriate application for authority to retain PwC in accordance with applicable law;

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby is, authorized and directed to employ any other professionals to assist the Company for which such Authorized Officers are authorized to act in carrying out its duties under the Bankruptcy Code and the CCAA; and in connection therewith, each of the Authorized Officers, with power of delegation, is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed an appropriate application for authority to retain the services of any other professionals as necessary; and

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby is, with power of delegation, authorized, empowered, and directed to execute and file all petitions, schedules, motions, objections, replies, applications, pleadings, lists, and other papers and, in connection therewith, to employ and retain all assistance by legal counsel, accountants, investment bankers, financial advisors, restructuring advisors, and other professionals and to take and perform any and all further acts and deeds that each of the Authorized Officers deem necessary, proper, or desirable in connection with the Company's Chapter 11 Cases and the CCAA Proceedings, with a view to the successful prosecution of the case.

Appointment of Chief Restructuring Officer

RESOLVED, that in the judgment of the Board, it is desirable and in the best interest of the Company to appoint Mr. Anthony Schnur to the office of Chief Restructuring Officer of BJ Services, and Mr. Anthony Schnur be, and hereby is, appointed to the office of Chief Restructuring Officer of BJ Services, upon such terms and conditions as described to the Board and set forth in the engagement letter (the "CRO Engagement Letter"), in each case in accordance with the terms of the Governing Documents of the Company;

RESOLVED FURTHER, that the Chief Restructuring Officer shall report to the Independent Directors and shall serve at the pleasure and direction of the Independent Directors; and

RESOLVED FURTHER, that Mr. Anthony Schnur is hereby authorized and empowered to perform such duties and responsibilities on behalf of the Company set forth in the CRO Engagement Letter, and such other duties and responsibilities as the Independent Directors may determine are reasonable and appropriate under the circumstances.

Cash Collateral and Adequate Protection

WHEREAS, the Company is party to that certain Revolving Credit and Guaranty Agreement, dated as of May 20, 2017 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms therein, the "Credit Agreement"), by and among BJ Services, as borrower; BJ Management Services, L.P., BJ Services Management Holding Corporation, and BJ Services Holdings Canada ULC, as guarantors; the lenders party thereto (the "Lenders"); and the Prepetition ABL Agent, pursuant to which the Lenders party thereto have made certain loans and financial accommodations available to the Company.

WHEREAS, the Company will obtain benefits from the use of collateral, including cash collateral, as that term is defined in section 363(a) of the Bankruptcy Code (the "Cash Collateral"), which is security for the Lenders.

Now, THEREFORE, BE IT:

RESOLVED, that in order to use and obtain the benefits of the Cash Collateral, and in accordance with section 363 of the Bankruptcy Code, the Company will provide certain adequate protection to the Lenders (the "Adequate Protection Obligations"), as documented in the proposed order regarding the use of cash collateral (the "Cash Collateral Order") that will be submitted for approval to the Bankruptcy Court;

RESOLVED FURTHER, that the Company, as debtor and debtor in possession under the Bankruptcy Code be, and hereby is, authorized to incur the Adequate Protection Obligations and to undertake any and all related transactions on substantially the same terms as contemplated under the Cash Collateral Order;

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby is, authorized, directed, and empowered in the name of, and on behalf of, the Company to seek approval of the use of Cash Collateral pursuant to the Cash Collateral Order, and, to the extent applicable to the Company, any Authorized Officer be, and hereby is, authorized, empowered, and directed to negotiate, execute, and deliver any and all agreements, instruments, or documents, by or on behalf of the Company, as necessary or advisable to implement the Cash Collateral Order, including providing for adequate protection to the Lenders in accordance with section 363 of the Bankruptcy Code, as well as any additional or further agreements for the use of collateral or debtor-in-possession financing in connection with the Chapter 11 Cases, which agreement(s) may require the Company to grant adequate protection and security interests to the Lenders or other parties and each other agreement, instrument, or document to be executed and delivered in connection therewith, by or on behalf of the Company pursuant thereto or in connection therewith, all with such changes therein and additions thereto as any Authorized Officer, in his or her absolute discretion approves, such approval to be conclusively evidenced by the taking of such action or by the execution and delivery thereof; and

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby is, authorized, directed, and empowered in the name of, and on behalf of, the Company to execute, deliver, and file any amendments, supplements, modifications, renewals, replacements, consolidations, substitutions, and extensions of the Cash Collateral Order or to take any other action which shall in his/her or their absolute discretion be necessary, desirable, proper, or advisable to give effect to the foregoing resolutions, which determination shall be conclusively evidenced by his/her, or their execution or approval thereof.

Wind Down of Operations

RESOLVED, that, in the judgement of the Board, it is desirable and in the best interest of the Company, its creditors, and other parties in interest, that the Company wind down its

affairs in a manner consistent with the process described to the Board (including by issuing appropriate notices (including any notices under the Worker Adjustment and Retraining Notification Act) and terminating employees in connection with the wind down), with such modifications or in such other manner as may be necessary or appropriate to best maximize the value of the Company;

RESOLVED FURTHER, that the wind-down and dissolution of the Company as described to the Board, along with all corporate action and any documents and agreements necessary to implement the wind down be, and hereby are, in all respects authorized and approved; and

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby is, authorized, directed, and empowered in the name of, and on behalf of, the Company to execute, deliver, and file any pleadings, motions, documents, agreements, notices, or applications, pay appropriate amounts, or to take any other action which shall in his, her, or their absolute discretion be necessary, desirable, proper, or advisable to give effect to the foregoing resolutions, which determination shall be conclusively evidenced by his, her, or their execution thereof.

Asset Sales in Connection with Chapter 11

RESOLVED, that the Company is authorized to enter into that certain asset purchase agreement (including all exhibits and schedules related thereto, the "Stalking Horse APA") with TES Asset Acquisition, LLC ("TES") for the sale of certain assets of the Company and to undertake any and all related transactions contemplated thereby, on terms materially consistent with those described to the Board and set forth in the current draft of the Stalking Horse APA;

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby are, authorized, directed, and empowered in the name of, and on behalf of, the Company to execute, on behalf of the Company, the Stalking Horse APA and to execute and file, on behalf of the Company, a motion seeking approval of the Stalking Horse APA and procedures related to a competitive sale process related thereto (the "Bidding Procedures Motion") with the Bankruptcy Court;

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby are, authorized, directed, and empowered in the name of, and on behalf of, the Company to conduct the auction approved by the Bankruptcy Court pursuant to the Bidding Procedures Motion (the "Auction") and to negotiate, for and on behalf of the Company, such agreements, documents, assignments, and instruments as may be necessary, appropriate, or desirable in connection with the sale to TES or such other successful bidder at the Auction; and

RESOLVED FURTHER, that each of the Authorized Officers be, and hereby is, authorized, directed, and empowered in the name of, and on behalf of the Company, to begin the process of auctioning or selling the Company's remaining assets in conjunction with the chapter 11 filing and in connection therewith, each Authorized Officer, with power

of delegation, is hereby authorized and directed to execute any appropriate sale or other documents or retention agreements, pay appropriate retainers, and to cause to be filed appropriate applications for authority to retain the services of applicable agents.

General

RESOLVED, that in addition to the specific authorizations heretofore conferred upon the Authorized Officers, each of the Authorized Officers (and their designees and delegates) be, and hereby is, authorized and empowered, in the name of and on behalf of the Company for which such Authorized Officers are authorized to act, to take or cause to be taken any and all such other and further action, and to execute, acknowledge, deliver, and file any and all such agreements, certificates, instruments, notices, and other documents and to pay all expenses, including but not limited to filing fees, in the case as in such officer's or officers' judgment, shall be necessary, advisable, or desirable in order to fully carry out the intent and accomplish the purposes of the resolutions adopted herein;

RESOLVED FURTHER, that each Company and the Board has received sufficient notice of the actions and transactions relating to the matters contemplated by the foregoing resolutions, as may be required by the organizational documents of the applicable Company, or hereby waives any right to have received such notice;

RESOLVED FURTHER, that all acts, actions, and transactions relating to the matters contemplated by the foregoing resolutions done in the name of and on behalf of the Company, which acts would have been approved by the foregoing resolutions except that such acts were taken before the adoption of these resolutions, are hereby in all respects approved and ratified as the true acts and deeds of the Company with the same force and effect as if each such act, transaction, agreement, or certificate has been specifically authorized in advance by resolution of the Board;

RESOLVED FURTHER, that each of the Authorized Officers (and their designees and delegates) be, and hereby is, authorized and empowered to take all actions or to not take any action in the name of the Company for which such Authorized Officers are authorized to act with respect to the transactions contemplated by these resolutions hereunder as the Board, in each case, as such Authorized Officer shall deem necessary or desirable in such Authorized Officer's reasonable business judgment as may be necessary or convenient to effectuate the purposes of the transactions contemplated herein;

RESOLVED FURTHER, that this consent may be executed in any number of counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute but one and the same consent;

RESOLVED FURTHER, that electronic or photostatic copies of signatures to this consent shall be deemed to be originals and may be relied on to the same extent as the originals; and

RESOLVED FURTHER, that the actions taken by the foregoing resolutions shall have the same force and effect as if taken at a meeting of the Board, as applicable, duly called and

constituted pursuant to the Company's Governing Documents, and the applicable laws of the jurisdiction in which the Company is organized.

* * * * *

IN WITNESS WHEREOF, the undersigned have executed this consent as of the date first written above.

INDEPENDENT DIRECTORS OF:

BJ SERVICES, LLC

DocuSigned by:

89JA3DEBFB9F48D...

Dorothy M. Ables

DocuSigned by:

57292C7C2B65483...

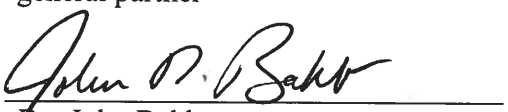
Jeffrey Dane

IN WITNESS WHEREOF, the undersigned have executed this consent as of the date first written above.

GENERAL PARTNER OF

BJ MANAGEMENT SERVICES, L.P.

By: BJ Services Management Holdings Corporation, a Texas corporation and the general partner



By: John Bakht
Title: Authorized Signatory

IN WITNESS WHEREOF, the undersigned have executed this consent as of the date first written above.

BOARD OF DIRECTORS OF:

BJ SERVICES HOLDINGS CANADA, ULC

DocuSigned by:

D9A3BD079C57439...

Warren Zemlak

Caleb Barclay

IN WITNESS WHEREOF, the undersigned have executed this consent as of the date first written above.

BOARD OF DIRECTORS OF:

BJ SERVICES MANAGEMENT HOLDINGS CORPORATION

DocuSigned by:

D9A3BD079C57439...

Warren Zemlak

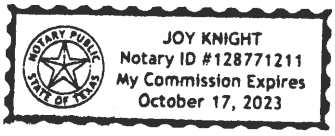
John R. Bakht

Exhibit A

COMPANY	JURISDICTION
BJ Services, LLC	Delaware
BJ Management Services, L.P.	Texas
BJ Services Holdings Canada, ULC	Canada
BJ Services Management Holdings Corporation	Texas

EXHIBIT 4

THIS IS **EXHIBIT "4"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



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IN AND FOR THE STATE OF TEXAS

Government of Alberta

Personal Property Registry
Search Results Report

Search ID #: Z12926650

Transmitting Party

Bennett Jones LLP

4500, 855 2nd Street SW
Calgary, AB T2P 4K7

Party Code: 60007906
Phone #: 403 298 3002
Reference #: 78081-9/kjm/lb

Search ID #: Z12926650 **Date of Search:** 2020-Aug-05 **Time of Search:** 07:11:18

Business Debtor Search For:

BJ SERVICES, LLC

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

REGISTRAR OF PERSONAL PROPERTY

Search ID #: Z12926650

Business Debtor Search For:
BJ SERVICES, LLC
Search ID #: Z12926650 **Date of Search:** 2020-Aug-05 **Time of Search:** 07:11:18

Registration Number: 20050119937 Registration Type: SECURITY AGREEMENT
Registration Date: 2020-May-01 Registration Status: Current
Expiry Date: 2030-May-01 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	BJ SERVICES, LLC 11211 FM 2920 ROAD TOMBALL, TX 77375	Current

Secured Party / Parties

Block		Status
1	ARI FINANCIAL SERVICES INC. 600-1270 CENTRAL PARKWAY WEST MISSISSAUGA, ON L5C 4P4 Email: abautonsp@teranet.ca	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND FUTURE MOTOR VEHICLES (INCLUDING WITHOUT	Current
2	LIMITATION, PASSENGER AUTOMOBILES, VANS, TRUCKS,	Current
3	TRUCK-TRACTORS, TRUCK-TRAILERS, TRUCK-CHASSIS AND	Current
4	TRUCK-BODIES), AUTOMOTIVE EQUIPMENT (INCLUDING WITHOUT	Current
5	LIMITATION, TRAILERS, BOXES AND REFRIGERATION UNITS),	Current
6	MATERIALS-HANDLING EQUIPMENT AND OTHER GOODS (WHETHER SIMILAR	Current
7	OR DISSIMILAR TO THE FOREGOING) LEASED FROM TIME TO TIME BY	Current
8	THE SECURED PARTY TO THE DEBTOR, TOGETHER WITH, IN EACH CASE,	Current
9	ALL PRESENT AND FUTURE PARTS, ATTACHMENTS, ACCESSORIES AND	Current

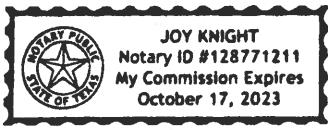
Search ID #: Z12926650

10	ACCESSIONS ATTACHED THERETO OR INSTALLED THEREIN, AND ALL	Current
11	PROCEEDS (AS DEFINED BELOW) OF OR RELATING TO ANY OF THE	Current
12	FOREGOING.	Current
13	PROCEEDS: ALL PROCEEDS OF ANY OF THE ABOVE COLLATERAL IN ANY	Current
14	FORM (INCLUDING WITHOUT LIMITATION, GOODS, DOCUMENTS OF	Current
15	TITLE, CHATTEL PAPER, SECURITIES, INSTRUMENTS, MONEY AND	Current
16	INTANGIBLES (AS EACH SUCH TERM IS DEFINED IN THE PERSONAL	Current
17	PROPERTY SECURITY ACT)) DERIVED DIRECTLY OR INDIRECTLY FROM	Current
18	ANY DEALING WITH ANY OF THE ABOVE COLLATERAL OR ANY PROCEEDS	Current
19	THEREOF.	Current

Result Complete

EXHIBIT 5

THIS IS **EXHIBIT "5"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



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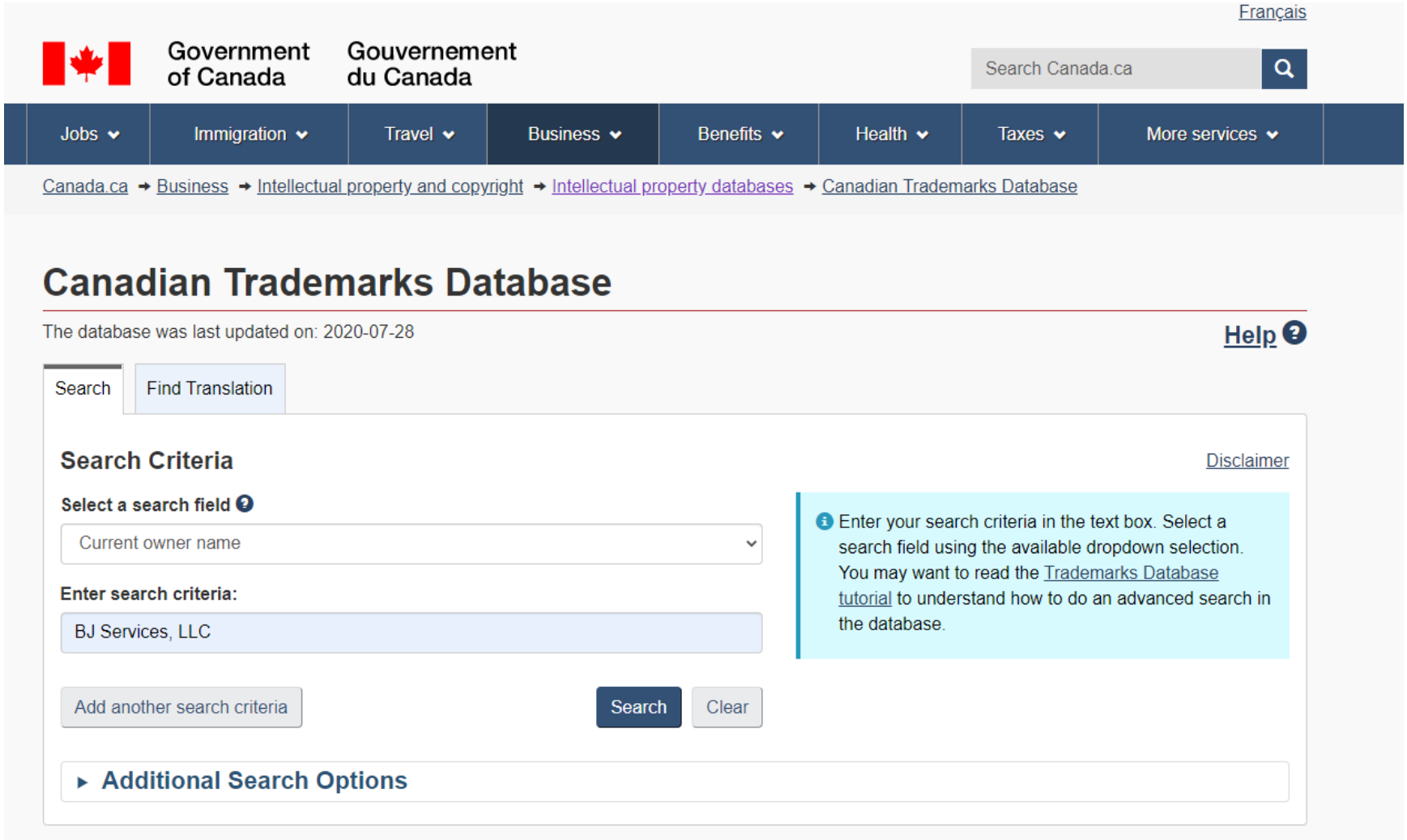
IN AND FOR THE STATE OF TEXAS

Canadian Intellectual Property Office (CIPO) Trademark Searches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Travel
Business
Benefits
Health
Taxes
More services
Canada.ca ➔ Business ➔ Intellectual property and copyright ➔ Intellectual property databases ➔ Canadian Trademarks Database
Canadian Trademarks Database
The database was last updated on: 2020-07-28
Help
Search
Find Translation
Search Criteria
Disclaimer
Select a search field
Current owner name
Enter search criteria:
BJ Services, LLC
Enter your search criteria in the text box. Select a search field using the available dropdown selection. You may want to read the Trademarks Database tutorial to understand how to do an advanced search in the database.
Add another search criteria
Search
Clear
Additional Search Options

Results found: 27

Third-party disclaimer

Search Criteria

Your query was

Search for:	BJ Services, LLC in Current owner name
within category:	All
within type:	All
with status:	All
that were:	All from 1865-01-01 to 2020-07-28
with Vienna classifications:	None

View **Display** All | International | National

Showing 1 to 25 of 27 entries | **Show** 25 **entries** **Filter your results**

Application number	IR Number	Trademark	Type(s)	CIPO Status	Nice class	Representation(s)
1888914		SAVANT	Word	REGISTERED	9, 42	
1894458		INTEGRASEAL	Word	REGISTERED	19, 37	
1894449		INTEGRAZONE	Word	REGISTERED	19, 37	
1888913		INTEGRAGUARD	Word	REGISTERED	19	
0181856		BJ	Word	REGISTERED	6, 7, 8, 31	
2005698		INTEGRASTAR	Standard Characters	FORMALIZED	9, 37	
1890246		INTEGRACARE	Word	ADVERTISED	1	
2010826		TITAN5 & Leaf Design	Design	FORMALIZED	7, 37	TITAN5
2010827		TITAN	Standard Characters	FORMALIZED	7, 37	
1903029		INTEGRABOND	Word	ADVERTISED	19, 37	
1903030		INTEGRACEM	Word	ADVERTISED	19, 37	
1903031		MATRIXCARE	Word	ADVERTISED	40	

1891950	PACESETTER LEARNING AND DEVELOPMENT	Word	ADVERTISED	35, 41	
1892044	COLLECTIVE COGNITION IN THE OILFIELD	Word	ADVERTISED	9, 42	
1894445	INTEGRASQUEEZE	Word	ADVERTISED	19, 35, 37	
1894439	FRACARE	Word	ADVERTISED	1	
1910098	PACEMAKER	Word	SEARCHED	7	
1745768	ALTCEM	Word	ABANDONED SECTION 36	37	
1894457	ZONECARE	Word	SEARCHED	1	
2010825	TITAN & Leaf Design	Design	FORMALIZED	7, 37	TITAN
2010828	TITAN5	Standard Characters	FORMALIZED	7, 37	
1903032	REACH	Word	ADVERTISED	1	
1903033	RESCARE	Word	ADVERTISED	1	
1903034	RHEOFRAC	Word	ADVERTISED	1	
1903035	VISCOFRAC	Word	ADVERTISED	1	

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Application number	IR Number	Trademark	Type(s)	CIPO Status	Nice class	Representation(s)
1894443		HIGH RELIABILITY TEAM PERFORMANCE (Stylized)	Design	ADVERTISED	37	High Reliability TEAM PERFORMANCE
1894453		THINFRAC	Word	ADVERTISED	1	

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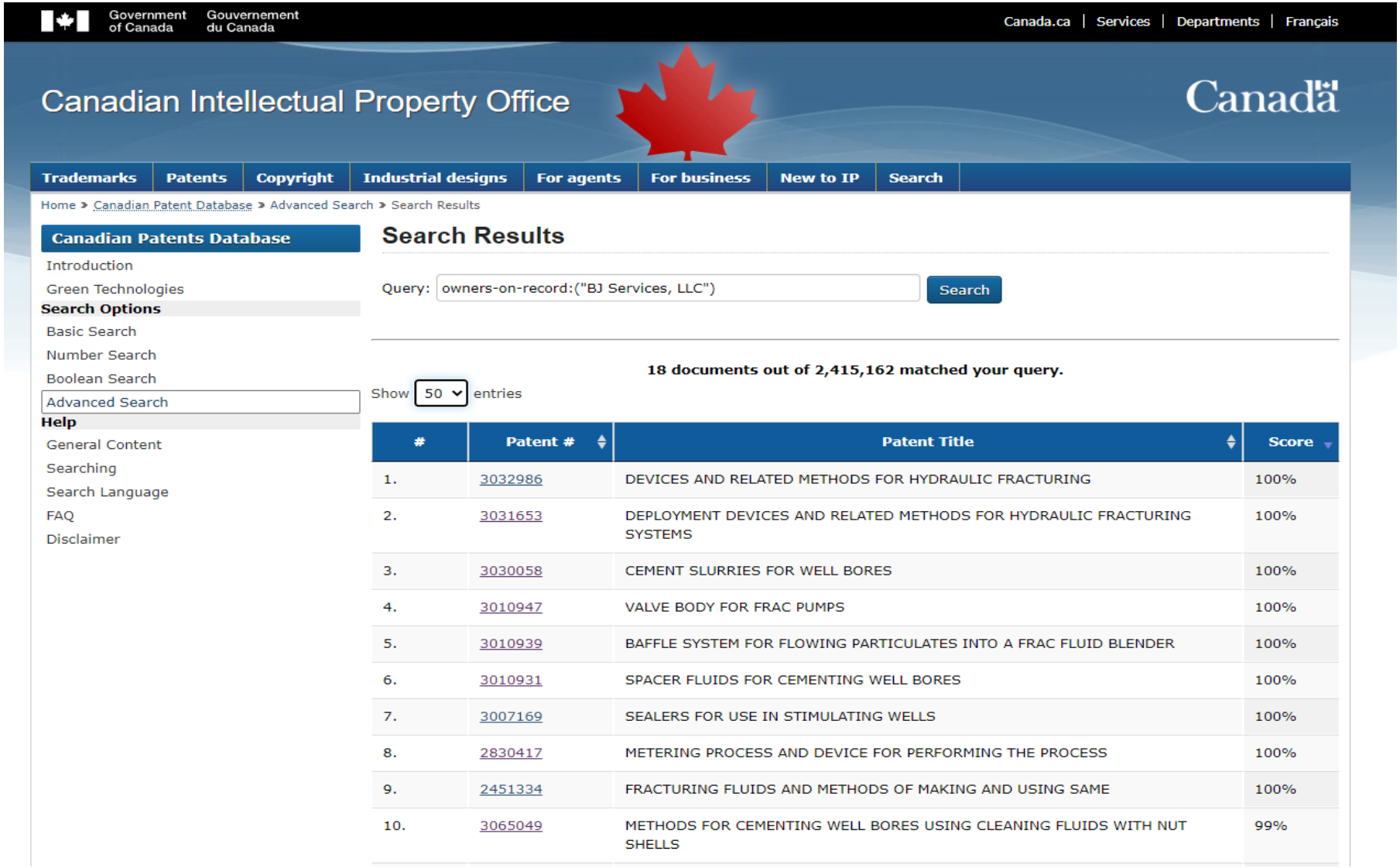
Date modified: 2020-02-26

Canadian Intellectual Property Office (CIPO) Patent Searches



#	Patent #	Patent Title	Score
1.	3032986	DEVICES AND RELATED METHODS FOR HYDRAULIC FRACTURING	100%
2.	3031653	DEPLOYMENT DEVICES AND RELATED METHODS FOR HYDRAULIC FRACTURING SYSTEMS	100%
3.	3030058	CEMENT SLURRIES FOR WELL BORES	100%
4.	3010947	VALVE BODY FOR FRAC PUMPS	100%
5.	3010939	BAFFLE SYSTEM FOR FLOWING PARTICULATES INTO A FRAC FLUID BLENDER	100%
6.	3010931	SPACER FLUIDS FOR CEMENTING WELL BORES	100%
7.	3007169	SEALERS FOR USE IN STIMULATING WELLS	100%
8.	2830417	METERING PROCESS AND DEVICE FOR PERFORMING THE PROCESS	100%
9.	2451334	FRACTURING FLUIDS AND METHODS OF MAKING AND USING SAME	100%
10.	3065049	METHODS FOR CEMENTING WELL BORES USING CLEANING FLUIDS WITH NUT SHELLS	99%

11.	3056520	LINER FOR FRAC PUMP SECTION MANIFOLD	99%
12.	3049875	FRAC FLUIDS FOR FAR FIELD DIVERSION	99%
13.	2999968	PUMP INTEGRITY DETECTION, MONITORING AND ALARM GENERATION	99%
14.	2832602	USE OF METHYLHYDROXYETHYL CELLULOSE AS CEMENT ADDITIVE	99%
15.	2744620	WELL SERVICING FLUID	99%
16.	2741273	BORON CROSSLINKERS FOR FRACTURING FLUIDS WITH APPRECIABLY LOWER POLYMER LOADING AND RELATED METHODS AND COMPOSITIONS	99%
17.	2638503	NAPHTHENIC ACID SOLIDS DISSOLVER COMPOSITIONS AND METHODS RELATED THERETO	99%
18.	2547252	NON-DAMAGING FRACTURING FLUIDS AND METHODS FOR THEIR USE	99%

Showing 1 to 18 of 18 entries

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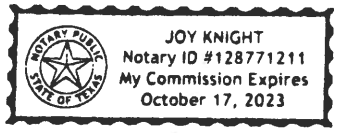
Version number: 3.1.8

EXHIBIT 6

THIS IS **EXHIBIT "6"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

ENTERED
08/03/2020

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 40**

SECOND INTERIM ORDER
(I) AUTHORIZING DEBTORS TO USE CASH COLLATERAL PURSUANT TO SECTION 363(c) OF THE BANKRUPTCY CODE; (II) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SECURED PARTIES; (III) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001(b); AND (IV) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of BJ Services, LLC ("BJS") and its affiliated debtors, each as debtor and debtor in possession (collectively, the "Debtors") in the above captioned-cases for entry of interim and final orders (this "Interim Order" and a "Final Order," respectively) pursuant to sections 105(a), 361, 362, 363, 503 and 507 of title 11 of the United States Code (the "Bankruptcy Code"), rules 2002, 4001, 6003, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), rules 4002-1 and 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 Rules"), seeking, among other things, the following relief:

a. authorization for the Debtors, pursuant to sections 105, 361, 362, 363, and 507 of the Bankruptcy Code, to continue to use the Cash Collateral of the Prepetition ABL

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

Secured Parties (each as defined below), CLMG Collateral of the CLMG Secured Parties (each as defined below) and GACP Collateral of the GACP Secured Parties (each as defined below) in accordance with the terms and conditions set forth below;

b. the grant of superpriority claims and the grant of automatically perfected liens, security interests, and other adequate protection, as applicable, to the Prepetition ABL Secured Parties, CLMG Secured Parties, and the GACP Secured Parties to the extent of any diminution in value of their interest in the Prepetition ABL Collateral, including Cash Collateral, in the CLMG Collateral, as applicable, or in the GACP Collateral, as applicable, under or in connection with the Prepetition ABL Loan Documents (as defined below) the CLMG Term Loan Agreement (as defined below), or the GACP Term Loan Agreement (as defined below);

c. subject to certain challenge rights of certain parties in interest (subject to the limitations specified herein), approving certain stipulations by the Debtors with respect to (i) the Prepetition ABL Loan Documents (as hereinafter defined below); (ii) the CLMG Term Loan Credit Agreement; and (iii) the liens and security interests arising therefrom;

d. vacating and modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent set forth herein;

e. subject only to and effective upon entry of the Final Order, waiving the Debtors' right to assert with respect to the Prepetition ABL Collateral, the Cash Collateral, or the Adequate Protection Collateral (as defined below) (i) any claims to surcharge pursuant to section 506(c) of the Bankruptcy Code, (ii) any "equities of the case" exception pursuant to section 552(b) of the Bankruptcy Code, and (iii) the equitable doctrine of "marshalling" or any similar doctrine;

f. scheduling, pursuant to Bankruptcy Rule 4001(b) and Bankruptcy Local Rule 4001-2(c), a final hearing (the "Final Hearing"), to be held within thirty-five (35) days of the entry of this Interim Order to consider entry of the Final Order approving the relief granted herein on a final basis;

g. waiving any applicable stay with respect to the effectiveness and enforceability of this Interim Order and, as later applicable, the Final Order (including a waiver pursuant to Bankruptcy Rule 6004(h)); and

h. granting related relief.

This Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); 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 this Court having found that the relief requested in the Motion is in the best interests

of the Debtors' estates, their creditors, and other parties in interest; and upon the Court's entry of the order approving the Motion on an interim basis on July 21, 2020 (the "First Interim Order") [Docket No. 88], granting the relief requested in the Motion; and upon the Court's entry of the agreed first supplemental interim order (the "First Supplemental Interim Order") modifying the budget included in the First Interim Order on July 26, 2020 [Docket No. 170]; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed this Interim Order and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *The Motion*. The relief requested in the Motion is granted on an interim basis in accordance with the terms of, and to the extent set forth in, this Interim Order. Any and all objections to the Motion with respect to the entry of this Interim Order that have not been withdrawn, waived or resolved, and all reservations of rights, are hereby denied and overruled on the merits, except as may be set forth herein. This Interim Order shall become effective immediately upon its entry.

2. *Jurisdiction*. This Court has core jurisdiction over the Debtors' chapter 11 cases commenced on July 20, 2020 (the "Chapter 11 Cases," and such date, the "Petition Date"), the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. *Notice*. Under the circumstances of these cases, proper, timely, adequate and sufficient notice of the Motion, the Hearing, and this Interim Order has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules, and no other or further notice of the Motion, the Hearing, or this Interim Order shall be required. The interim relief granted herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates pending the Final Hearing.

4. *Debtors' Stipulations*. In requesting use of their Cash Collateral and the other Prepetition ABL Collateral, and in exchange for and as a material inducement to the Prepetition ABL Secured Parties' agreement to permit consensual use of their Cash Collateral and the other Prepetition ABL Collateral, the Debtors acknowledge, represent, stipulate, and agree, subject to the challenge rights set forth in paragraph 30 below (but subject to the limitations thereon contained herein), as follows (collectively defined as the "Debtors' Stipulations"):

a. *Prepetition ABL Credit Facility*. On May 30, 2017, BJS entered into that certain Revolving Credit and Guaranty Agreement (as amended by the Limited Waiver and First Amendment to Revolving Credit and Guaranty Agreement dated October 3, 2018, and further amended by the Second Amendment to Revolving Credit and Guaranty Agreement and First Amendment to Canadian Security Agreement and U.S. Security Agreement, dated January 28, 2019, and as otherwise amended, supplemented, or modified prior to the date hereof, the "Prepetition ABL Credit Agreement," and further supplemented and modified by those certain Limited Waivers, dated as of June 2, 2020, June 12, 2020, and June 23, 2020, and together with all mortgage, security, pledge and guaranty agreements and all other Loan Documents (as defined in the Prepetition ABL Credit Agreement) and all other documentation executed by any Debtor in connection with any of the foregoing, each as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Prepetition ABL Loan Documents"), with JPMorgan Chase Bank, N.A., in its capacity as administrative agent (the "Prepetition ABL Agent"), and the lenders party thereto (the "Prepetition ABL Lenders," and together with the Prepetition ABL Agent, the "Prepetition ABL Secured Parties").

b. *Prepetition ABL Obligations*. As of the Petition Date, pursuant to the Prepetition ABL Loan Documents and applicable law, the Prepetition ABL Secured Parties hold valid, enforceable, secured, and allowable claims

against the Debtors in an aggregate amount equal to $101,550,000 plus any and all other accrued and unpaid interest, fees, expenses (including advisors fees and expenses, in each case, that are chargeable or reimbursable under the Prepetition ABL Loan Documents), disbursements, charges, claims, indemnities and other costs and obligations of whatever nature incurred in connection therewith which are chargeable or otherwise reimbursable under the Prepetition ABL Loan Documents or applicable law, whether arising before or after the Petition Date, including any "Obligations" (as defined in the Prepetition ABL Credit Agreement), of any kind or nature, whether or not evidenced by any note, agreement or other instrument, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the Debtors' obligations under the Prepetition ABL Loan Documents (collectively defined as the "Prepetition ABL Obligations").

c. *Prepetition ABL Liens*. The Prepetition ABL Obligations are secured by continuing, legal, valid, binding, properly perfected, enforceable, non-avoidable first priority liens on and security interests in (the "Prepetition ABL Liens") all of the "Collateral" as defined in the Prepetition ABL Credit Agreement (the "Prepetition ABL Collateral"), including all of the Debtors' cash (including the cash in their deposit accounts and other accounts, wherever located, whether as original collateral or proceeds of other Prepetition ABL Collateral except for Excluded Property (as defined in the Prepetition ABL Credit Agreement)) that constitutes Cash Collateral (as defined below). As of the Petition Date, the aggregate book value of the Prepetition ABL Collateral exceeded the aggregate amount of the Prepetition ABL Obligations.

d. *Validity, Perfection, and Priority of Prepetition ABL Liens and Prepetition ABL Obligations*. The Debtors acknowledge and agree that, as of the Petition Date: (i) the Prepetition ABL Liens on the Prepetition ABL Collateral were valid, binding, and enforceable in accordance with the terms of the applicable Prepetition ABL Loan Documents, non-avoidable and properly perfected and were granted to, or for the benefit of, the Prepetition ABL Secured Parties for fair consideration and reasonably equivalent value; (ii) the Prepetition ABL Liens were and remain senior in priority over any and all other liens on and security interests in the Prepetition ABL Collateral, subject only to (x) the Carve Out (as defined below) and (y) valid, perfected and unavoidable liens permitted under Section 7.01 of the Prepetition ABL Credit Agreement to the extent that such liens or security interests are senior to or *pari passu* with the Prepetition ABL Liens (including, for the avoidance of doubt, valid and unavoidable liens in existence as of the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code) (a "Permitted Encumbrance"); (iii) the Prepetition ABL Obligations constituted legal, valid, binding and non-avoidable obligations of the Debtors, enforceable in accordance with the terms of the applicable Prepetition Loan Documents; (iv) no portion of the Prepetition ABL Obligations or any payments made

to the Prepetition ABL Secured Parties or applied to or paid on account of the obligations owing under the Prepetition ABL Loan Documents prior to the Petition Date is subject to any contest, avoidance, reduction, recharacterization, subordination (whether equitable, contractual or otherwise), recovery, reduction, recoupment, disallowance, impairment, rejection, attack, effect, counterclaim, cross-claim, set-off, offset, defense or any other claim (as defined in the Bankruptcy Code) of any kind, cause of action or any other challenge of any kind or nature under the Bankruptcy Code or any other applicable law or regulation or otherwise and the Debtors do not possess, and shall not assert, any claim, counterclaim, setoff or defense of any kind, nature or description that would in any way affect the validity, enforceability and non-avoidability of any Prepetition ABL Obligations; and (v) the Debtors waive, discharge, and release any right to challenge any of the Prepetition Obligations, the priority of the Debtors' obligations thereunder and the validity, extent, and priority of the Prepetition ABL Liens.

e. *Validity, Perfection, and Priority of Liens and Obligations under the CLMG Term Loan Agreement*. The Debtors acknowledge and agree that, as of the Petition Date: (i) the CLMG Secured Parties' (as defined below) liens on the CLMG Collateral (such liens, the "Prepetition CLMG Liens") were valid, binding, and enforceable in accordance with the terms of the CLMG Term Loan Agreement (as defined below), non-avoidable and properly perfected and were granted to, or for the benefit of, the CLMG Secured Parties for fair consideration and reasonably equivalent value; (ii) the Prepetition CLMG Liens were and remain senior in priority over any and all other liens on and security interests in the CLMG Collateral (as defined below); (iii) the prepetition obligations owed to the CLMG Secured Parties under the CLMG Term Loan Agreement, including any "Obligations" as defined in the CLMG Term Loan Agreement, of any kind or nature, whether or not evidenced by any note, agreement, or other instrument, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the Debtors' obligations (collectively, the "Prepetition CLMG Obligations") constituted legal, valid, binding, and non-avoidable obligations of the Debtors, enforceable in accordance with the terms of the CLMG Term Loan Agreement; (iv) no portion of the Prepetition CLMG Obligations or any payments made to the CLMG Secured Parties or applied to or paid on account of the obligations owing under the CLMG Term Loan Agreement prior to the Petition Date is subject to any contest, avoidance, reduction, recharacterization, subordination (whether equitable, contractual or otherwise), recovery, reduction, recoupment, disallowance, impairment, rejection, attack, effect, counterclaim, cross-claim, set-off, offset, defense or any other claim (as defined in the Bankruptcy Code) of any kind, cause of action or any other challenge of any kind or nature under the Bankruptcy Code or any other applicable law or regulation or otherwise and the Debtors do not possess, and shall not assert, any claim, counterclaim, setoff or defense of any kind,

nature or description that would in any way affect the validity, enforceability and non-avoidability of any Prepetition CLMG Obligations; and (v) the Debtors waive, discharge, and release any right to challenge any of the Prepetition CLMG Obligations, the priority of the Debtors' obligations thereunder and the validity, extent, and priority of the Prepetition CLMG Liens.

f. V*alidity, Perfection, and Priority of Liens and Obligations under the GACP Term Loan Agreement*. The Debtors acknowledge and agree that, as of the Petition Date: (i) the GACP Secured Parties' (as defined below) liens on the GACP Collateral (such liens, the "Prepetition GACP Liens") were valid, binding, and enforceable in accordance with the terms of the GACP Term Loan Agreement (as defined below), non-avoidable and properly perfected and were granted to, or for the benefit of, the GACP Secured Parties for fair consideration and reasonably equivalent value; (ii) the Prepetition GACP Liens were and remain senior in priority over any and all other liens on and security interests in the GACP Collateral (as defined below); (iii) the prepetition obligations owed to the GACP Secured Parties under the GACP Term Loan Agreement, including any "Obligations" as defined in the GACP Term Loan Agreement, of any kind or nature, whether or not evidenced by any note, agreement, or other instrument, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the Debtors' obligations (collectively, the "Prepetition GACP Obligations") constituted legal, valid, binding, and non-avoidable obligations of the Debtors, enforceable in accordance with the terms of the GACP Term Loan Agreement; (iv) no portion of the Prepetition GACP Obligations or any payments made to the GACP Secured Parties or applied to or paid on account of the obligations owing under the GACP Term Loan Agreement prior to the Petition Date is subject to any contest, avoidance, reduction, recharacterization, subordination (whether equitable, contractual or otherwise), recovery, reduction, recoupment, disallowance, impairment, rejection, attack, effect, counterclaim, cross-claim, set-off, offset, defense or any other claim (as defined in the Bankruptcy Code) of any kind, cause of action or any other challenge of any kind or nature under the Bankruptcy Code or any other applicable law or regulation or otherwise and the Debtors do not possess, and shall not assert, any claim, counterclaim, setoff or defense of any kind, nature or description that would in any way affect the validity, enforceability and non-avoidability of any Prepetition GACP Obligations; and (v) the Debtors waive, discharge, and release any right to challenge any of the Prepetition GACP Obligations, the priority of the Debtors' obligations thereunder and the validity, extent, and priority of the Prepetition GACP Liens

5. *Cash Collateral*. For purposes of this Interim Order, the term "Cash Collateral" shall mean and include all "cash collateral," as defined in section 363 of the Bankruptcy Code, in

or on which the Prepetition ABL Secured Parties have a lien, security interest or other interest (including, without limitation, any adequate protection liens or security interests), and shall include, without limitation, all Prepetition ABL Collateral that is cash of the Debtors' estates and all cash equivalents, whether in the form of negotiable instruments, documents of title, securities, deposit accounts, commodity accounts, securities accounts, investment accounts, or in any other form, that were on the Petition Date in any of the Debtors' possession, custody or control (or persons in privity with any of the Debtors) or which present income, proceeds, products, rents, or profits of any of the Prepetition ABL Collateral, including to the extent the Debtors obtain an interest in such funds after the Petition Date in the case of each of the foregoing, except for any Excluded Property (as defined in the Prepetition ABL Credit Agreement). The Prepetition ABL Agent has, for the benefit of the Prepetition ABL Lenders, first-priority, perfected liens in the Cash Collateral pursuant to the applicable provisions of the Prepetition ABL Loan Documents, sections 363(a) and 552(b) of the Bankruptcy Code, and this Interim Order.

6. *Findings Regarding the Use of Cash Collateral and Prepetition ABL Collateral*.

a. Good cause has been shown for the entry of this Interim Order.

b. The Debtors have an immediate need to use the Prepetition ABL Collateral, including Cash Collateral to, among other things, fund the orderly sale of their assets, pay their operating expenses, and preserve the value of the Debtors' estates.

c. The terms of the use of the Prepetition ABL Collateral pursuant to this Interim Order are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and constitute reasonably equivalent value and fair consideration.

d. The terms of the use of the Prepetition ABL Collateral pursuant to this Interim Order have been the subject of extensive negotiations conducted in good faith and at arm's length among the Debtors, the Prepetition ABL Agent, and other Prepetition ABL Secured Parties and, pursuant to sections 105, 361, and 363 of the Bankruptcy Code, the Prepetition ABL Agent and the other Prepetition ABL Secured Parties are hereby found to be entities that have acted in "good faith" in connection with the negotiation and entry

of this Interim Order, and each is entitled to the protection provided under section 363(m) of the Bankruptcy Code.

e. The Debtors have requested entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2) and (d) and the Complex Case Procedures. Absent granting the interim relief sought by this Interim Order, the Debtors' estates could be immediately and irreparably harmed. The use of the Prepetition ABL Collateral in accordance with this Interim Order is in the best interest of the Debtors' estates.

7. *Need for Limited Use of Cash Collateral*. The Debtors have an immediate and critical need to continue to use the Prepetition ABL Collateral (including Cash Collateral) in order to permit, among other things, the orderly sale of their assets, to make payroll, to satisfy other working capital and operational needs and fund the Chapter 11 Cases, in each such case in accordance with the terms of this Interim Order, including in accordance with the Budget (as defined below). The access of the Debtors to sufficient working capital and liquidity through the use of Cash Collateral and other Prepetition ABL Collateral is necessary to preserve and maintain the value of the Debtors' estates. Without the use of Cash Collateral, the Debtors would likely not have sufficient liquidity to continue to operate their organization and effectuate an orderly wind-down of the Debtors' businesses. Entry of this Interim Order will preserve the assets of each Debtor's estate and its value and is in the best interests of the Debtors, their creditors, and their estates. The Adequate Protection Liens, the Adequate Protection Superpriority Claims, the ABL Adequate Protection Payments, and the ABL Adequate Protection Fees and Expenses (each as defined herein) are consistent with and authorized by the Bankruptcy Code. Absent authorization to immediately access and use Cash Collateral, the Debtors, the estates, and their creditors would suffer immediate and irreparable harm.

8. C*onsent by the Prepetition ABL Agent*. The Prepetition ABL Agent consents to the Debtors' use of Cash Collateral, in accordance with and subject to the terms and conditions contained in this Interim Order, which consent has been supported or unopposed by the Required

Lenders (as defined in the Prepetition ABL Credit Agreement) after receipt of notice and shall be deemed sufficient under the circumstances for purposes of this Interim Order. All use of Cash Collateral by the Debtors shall be consistent with the cash flow budget attached hereto as **Exhibit 1**, as may be amended or replaced pursuant to paragraph 16 hereof (the first 30 days of Exhibit 1 being the "Budget"), subject to any Non-Conforming Use (as such term is defined below) permitted hereunder; provided, however, that (a) the actual aggregate operating disbursements of the Debtors, which shall be tested every week on a cumulative basis for the preceding weeks, shall not exceed the projected amount therefor set forth in the Budget for such applicable time period by more than 10%, (b) the actual aggregate receipts of the Debtors, which shall be tested every week on a cumulative basis for the preceding weeks, shall not be less than the projected amount therefor set forth in the Budget for such applicable time period by more than 15%; or (c) the actual aggregate net operating cash flows, which shall be tested every week on a cumulative basis for the preceding weeks, shall not be less than the projected amount therefore set forth in the Budget for such applicable time period by more than 15%; provided that Allowed Professional Fees, the Adequate Protection Fees and Expenses (as defined in paragraph 11 below), and payments to the U.S. Trustee shall not be subject to such tests; provided further, that Allowed Professional Fees shall not exceed the projected amount therefor set forth in the Budget for such applicable time period by more than 15% (any variance not exceeding the maximum amounts set forth above, a "Permitted Variance") (provided that nothing herein shall operate as a limitation on the amount of professional fees a Professional Person may seek to be paid by the Debtors pursuant to an order of the Court, nor shall anything herein limit the Prepetition ABL Agent's rights to oppose any request for payment of professional fees in excess of the Permitted Variance). Any transfer or use of Cash Collateral by the Debtors shall be conditioned upon the Debtors' compliance with the Budget,

including any Permitted Variances or Non-Conforming Uses. The Prepetition ABL Agent may (with the consent of the Required Lenders if the proposed amount is equal to or greater than $1 million) agree in writing to the use of the Cash Collateral in a manner or amount which does not conform to the manner or amount, as applicable, set forth in the Budget (including, for the avoidance of doubt, any Permitted Variances) (each such approved non-conforming use of Cash Collateral, a "Non-Conforming Use"). If such written consent is given (which consent may be given through email by the Prepetition ABL Agent or the Prepetition ABL Agent's counsel), the Debtors shall be authorized pursuant to this Interim Order to use Cash Collateral for any such Non-Conforming Use without further Court approval, and the Prepetition ABL Secured Parties shall be entitled to all of the protections specified in this Interim Order for any such Non-Conforming Use; provided that each such permitted Non-Conforming Use shall be deemed a modification to the Budget for all testing purposes. For the avoidance of doubt and notwithstanding anything to the contrary in this Interim Order, the Prepetition ABL Agent does not consent to the Debtors' use of, and the Debtors shall not be permitted to use, Cash Collateral for payment of costs attributable to the GACP Collateral or CLMG Collateral (each as defined below), including costs and expenses of preserving, or disposing of, the GACP Collateral or CLMG Collateral or incurred in connection with any sale of such GACP Collateral or CLMG Collateral.

9. *Entitlement of Prepetition ABL Secured Parties to Adequate Protection*. Pursuant to sections 361, 362, 363(c)(2), and 363(e) of the Bankruptcy Code, the Prepetition ABL Secured Parties are entitled to adequate protection of their interests in the Prepetition ABL Collateral, including the Cash Collateral, in an amount equal to the aggregate actual diminution in the value of the Prepetition ABL Secured Parties' interests in the Prepetition ABL Collateral (including Cash Collateral) from and after the Petition Date, if any, for any reason provided for under the

Bankruptcy Code, including, without limitation, any such diminution resulting from the sale, lease, or use by the Debtors of the Prepetition ABL Collateral (including Cash Collateral, whether pursuant to the Budget or otherwise), the subordination of their liens on the Prepetition ABL Collateral and Adequate Protection Superpriority Claims (as defined herein) to the Carve Out pursuant to this Interim Order and the Prepetition ABL Loan Documents, or the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code ("ABL Diminution in Value").

10. *ABL Adequate Protection Claims and Liens*. The Prepetition ABL Secured Parties are hereby granted the following (collectively, the "ABL Adequate Protection Obligations"), solely to the extent of any ABL Diminution in Value; provided that the collateral set forth in this paragraph 10 shall not include assets or property (other than Prepetition ABL Collateral, including Cash Collateral) upon which, and solely to the extent that, the grant of an Adequate Protection Lien as contemplated in this Interim Order, would constitute a default or event of default under any of the Debtors' contracts or leases, excluding, for the avoidance of doubt, the GACP Term Loan Agreement (and such default would not be excused or rendered ineffective by operation of the Bankruptcy Code or applicable nonbankruptcy law), but shall include the proceeds thereof:

a. *ABL Adequate Protection Liens*. Pursuant to sections 361 and 363(e) of the Bankruptcy Code, as adequate protection against any actual ABL Diminution in Value (if any) of the Prepetition ABL Collateral, including Cash Collateral, effective as of the Petition Date and perfected without the need for execution by the Debtors or the recordation or other filing by the Prepetition ABL Agent of security agreements, control agreements, pledge agreements, mortgages or other Collateral Documents (as defined in the Prepetition ABL Credit Agreement) or financing statements or other similar documents, or the possession or control by the Prepetition ABL Agent of any Adequate Protection Collateral, the Prepetition ABL Agent is hereby granted for the ratable benefit of the Prepetition ABL Lenders, as security for the payment of the ABL Adequate Protection Obligations, subject and subordinate only to the Carve Out, the following security interests and liens (all such liens and security interests, the "ABL Adequate Protection Liens," and all property identified in clauses (i) - (iii) below being collectively referred to as the "ABL Adequate Protection Collateral"):

(i) First Priority ABL Adequate Protection Liens. Pursuant to sections 361(2) and 363(c)(2) of the Bankruptcy Code, binding, continuing, enforceable, fully perfected, first priority (subject to subparagraph 10(b)) senior replacement liens on and security interests in and upon (a) all Prepetition ABL Collateral, and (b) all assets and properties of the Debtors' estates other than (i) the CLMG Collateral (as defined below), (ii) the GACP Collateral (as defined below), and (iii) those assets and properties that are subject to any other (x) valid, perfected, non-avoidable, and enforceable liens in existence on or as of the Petition Date or (y) valid and unavoidable liens in existence as of the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, whether now owned or hereafter acquired, including, without limitation, all personal and real property of the Debtors' estates and all products, proceeds, rents, and profits thereof that, from and after the Petition Date, is not subject to any lien or security interest, if any, including upon entry of the Final Order, the proceeds of any claims and causes of action of the Debtors (but not on the actual claims and causes of action) arising under sections 544, 545, 547, 548, 549, and 550 of the Bankruptcy Code and any other avoidance or similar action under the Bankruptcy Code or similar state law (collectively, the "Avoidance Actions") (the foregoing liens being collectively referred to as the "First Priority ABL Adequate Protection Liens").

(ii) ABL Adequate Protection Liens Junior to Certain Existing Liens. Pursuant to sections 361(2) and 363(c)(2) of the Bankruptcy Code, valid, binding, continuing, enforceable, fully-perfected non-voidable junior priority liens on, and junior security interests in, all tangible and intangible assets, including without limitation, all prepetition and post-petition property of the Debtors' estates, and all products and proceeds thereof, whether now existing or hereafter acquired, that is subject to (a) valid, perfected, and unavoidable liens in existence as of the Petition Date, including, without limitation, the liens of (i) GACP Finance Co., LLC ("GACP"), as administrative agent and collateral agent under the Term Loan Credit and Guaranty Agreement, dated as of January 28, 2019, by and among BJS, GACP, and the other parties thereto (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "GACP Term Loan Agreement"), which encumber the "Collateral" as defined therein (the "GACP Collateral") and (ii) CLMG Corp. ("CLMG"), as administrative agent and collateral agent under the Credit Agreement, dated as of December 31, 2019, by and among BJS, CLMG, and the other parties thereto (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "CLMG Term Loan Agreement"), which encumber the "Collateral" as defined therein (the "CLMG Collateral") or (b) valid and

unavoidable liens in existence as of the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, which valid, perfected and unavoidable liens are senior in priority to the security interests and liens in favor of the Prepetition ABL Agent (the foregoing liens being collectively referred to as the "Junior ABL Adequate Protection Liens").

(iii) ABL Adequate Protection Liens Senior to Prepetition ABL Liens. Pursuant to sections 361(2) and 363(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected non-voidable priming lien on, and security interest in, all tangible and intangible assets comprising the Prepetition ABL Collateral, and all products and proceeds thereof, whether now existing or hereafter acquired.

b. *Status of the ABL Adequate Protection Liens*. Subject in all respects to the Carve Out, the Adequate Protection Liens shall not be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (B) any lien or security interest arising after the Petition Date, or (ii) except as otherwise set forth in clauses (a)(i)-(iii) of this paragraph 11, subordinated to or made *pari passu* with any other lien or security interest, now or hereafter existing and whether authorized under sections 363 or 364 of the Bankruptcy Code or otherwise.

c. *Enforceability.* Subject in all respects to the Carve Out, the ABL Adequate Protection Liens shall not be subject to sections 506(c) (upon entry of the Final Order), 510, 549, 550, or 551 of the Bankruptcy Code. The ABL Adequate Protection Liens shall be enforceable against and binding upon the Debtors, their estates and any successors thereto, including, without limitation, any trustee or other estate representative appointed in the Debtors' Chapter 11 Cases, or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of the Debtors' Chapter 11 Cases, or in any other proceedings superseding or related to any of the foregoing (each, a "Successor Case").

d. *Adequate Protection Superpriority Claims*. The ABL Adequate Protection Obligations due to the Prepetition ABL Agent shall constitute allowed superpriority administrative expense claims against the Debtors in the amount of any Diminution in Value of the Prepetition ABL Collateral, including Cash Collateral, as provided in section 507(b) of the Bankruptcy Code, with priority in payment over any and all unsecured claims and administrative expense claims against the Debtors, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 327, 328, 330, 331, 361, 362, 363, 364, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 552(b), 726, 1113, 1114 and

any other provision of the Bankruptcy Code, and shall at all times be senior to the rights of the Debtors and any successor trustee or creditor in these Chapter 11 Cases or any Successor Case (the "ABL Adequate Protection Superpriority Claims"), subject and subordinate only to the Carve Out (as defined herein).

11. *ABL Additional Adequate Protection*. As additional adequate protection to the Prepetition ABL Agent and the Prepetition ABL Secured Parties:

a. *Payment of Prepetition and Postpetition Interest*. The Debtors shall pay to the Prepetition ABL Agent for the benefit of the Prepetition ABL Lenders all accrued and unpaid interest (including, for the avoidance of doubt, interest accruing and becoming due after the Petition Date) at the non-default rates and consistent with the ordinary course interest payment dates set forth in the Prepetition ABL Credit Agreement (the "ABL Adequate Protection Interest Payments").

b. *Payment of Prepetition ABL Agent Fees and Expenses*. As additional adequate protection, the Prepetition ABL Agent shall receive from the Debtors, for the benefit of the Prepetition ABL Lenders, current cash payments of all reasonable and documented prepetition and postpetition fees and expenses payable to the Prepetition ABL Secured Parties under the Prepetition ABL Loan Documents, including, but not limited to, the reasonable and documented prepetition and postpetition fees and disbursements of legal counsel, financial advisors, and other consultants (the "ABL Adequate Protection Fees and Expenses"). Payment of all such professional fees and expenses shall not be subject to allowance by the Court but shall be subject to the following process. At the same time such invoices are delivered to the Debtors, the professionals for the Prepetition ABL Secured Parties shall deliver a copy of their respective invoices to counsel for any official committee appointed in these cases pursuant to section 1102 of the Bankruptcy Code (a "Creditors' Committee") and the office of the United States Trustee (the "U.S. Trustee"). The invoices for such fees and expenses shall not be required to comply with any U.S. Trustee guidelines related to the payment of fees and expenses of retained estate professionals, may be in summary form only, and shall not be subject to application or allowance by the Court. Any objections raised by the Debtors, the U.S. Trustee, or the Creditors' Committee with respect to such invoices within ten (10) days of receipt thereof (the "Invoice Review Period") will be resolved by the Court (absent prior consensual resolution thereof). Pending such resolution, the undisputed portion of any such invoice shall be paid by the Debtors within three (3) days of the expiration of the Invoice Review Period. Except as otherwise ordered by the Court in the event an objection is timely filed, such fees and expenses shall not be subject to any setoff, defense, claim, counterclaim, or diminution of any type, kind, or nature whatsoever.

c. *Paydown of Prepetition ABL Obligations*. The Debtors shall pay to the Prepetition ABL Agent for the benefit of the Prepetition ABL Lenders $5 million per week (up to a total of $20 million in the aggregate, as provided for in the Budget) to begin the first Friday after this Interim Order is entered (together with the ABL Adequate Protection Interest Payments, the "ABL Adequate Protection Payments"); provided that such amounts will reduce the principal amount outstanding under the Prepetition ABL Obligations; provided, further, however, that any payments made pursuant to this paragraph 11(c) may be subject to disgorgement if a challenge action is brought against the Prepetition ABL Secured Parties in accordance with paragraph 31 and if any such payments are disgorged, the principal amount outstanding under the Prepetition ABL Obligations will be adjusted upward accordingly;

d. *Other Covenants*. The Debtors shall maintain their cash management system in a manner consistent with this Interim Order, and any order of this Court approving the maintenance of the Debtors' cash management system. The Debtors shall not use, sell, or lease any material assets outside the ordinary course of business, or seek authority to this Court to do any of the foregoing, without prior consultation with the Prepetition ABL Agent at least seven (7) days prior to the date on which the Debtors seek authority of this Court for such use, sale, or lease. The Debtors shall comply with the covenants contained in section 6.07 of the Prepetition ABL Credit Agreement regarding the maintenance and insurance of the Prepetition ABL Collateral and the Adequate Protection Collateral.

12. *Entitlement of CLMG Secured Parties to Adequate Protection*. Pursuant to sections 361, 362, 363(c)(2), and 363(e) of the Bankruptcy Code, the CLMG Secured Parties are entitled to adequate protection of their interests in the CLMG Collateral, in an amount equal to the aggregate actual diminution in the value of the CLMG Secured Parties' interests in the CLMG Collateral from and after the Petition Date, if any, for any reason provided for under the Bankruptcy Code, including, without limitation, any such diminution resulting from the sale, lease, or use by the Debtors of the CLMG Collateral, or the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code. ("CLMG Diminution in Value").

13. *CLMG Adequate Protection Claims and Liens*. CLMG in its capacity as administrative agent (the "CLMG Agent"), and the lenders party thereto (the "CLMG Lenders," and together with the CLMG Agent, the "CLMG Secured Parties") are hereby granted the

following (collectively, the "CLMG Adequate Protection Obligations" and together with the ABL Adequate Protection Obligations, the "Adequate Protection Obligations"), solely to the extent of any CLMG Diminution in Value; provided that the collateral set forth in this paragraph 13 shall not include assets or property (other than CLMG Collateral) upon which, and solely to the extent that, the grant of an Adequate Protection Lien as contemplated in this Interim Order, would constitute a default or event of default under any of the Debtors' contracts or leases (and such default would not be excused or rendered ineffective by operation of the Bankruptcy Code or applicable nonbankruptcy law), but shall include the proceeds thereof:

a. *CLMG Adequate Protection Liens*. Pursuant to sections 361 and 363(e) of the Bankruptcy Code, as adequate protection against any actual CLMG Diminution in Value (if any) of the CLMG Collateral effective as of the Petition Date and perfected without the need for execution by the Debtors or the recordation or other filing by CLMG of security agreements, control agreements, pledge agreements, mortgages or other Collateral Documents (as defined in the CLMG Term Loan Credit Agreement) or financing statements or other similar documents, or the possession or control by CLMG of any Adequate Protection Collateral, CLMG is hereby granted, as security for the payment of the CLMG Adequate Protection Obligations, the following security interests and liens (all such liens and security interests, the "CLMG Adequate Protection Liens"):

(i) CLMG Adequate Protection Liens Junior to Certain Existing Liens and Junior to ABL Adequate Protection Liens. Pursuant to sections 361(2) and 363(c)(2) of the Bankruptcy Code, valid, binding, continuing, enforceable, fully-perfected non-voidable junior priority liens on, and junior security interests in, all tangible and intangible assets, including without limitation, all prepetition and postpetition property of the Debtors' estates, and all products and proceeds thereof, whether now existing or hereafter acquired, that is subject to (a) valid, perfected, and unavoidable liens in existence as of the Petition Date, including, without limitation (i) the assets subject to the ABL Adequate Protection Liens (other than with respect the CLMG Collateral) and (ii) the GACP Collateral (which such liens on the GACP Collateral shall be junior to the ABL Adequate Protection Liens) or (b) valid and unavoidable liens in existence as of the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, which valid, perfected and unavoidable liens are senior in priority to the security interests and liens in favor of CLMG (the foregoing liens

being collectively referred to as the "Junior CLMG Adequate Protection Liens").

(ii) Adequate Protection Liens Senior to Prepetition CLMG Liens. Pursuant to sections 361(2) and 363(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected non-voidable priming lien on, and security interest in, all tangible and intangible assets comprising the CLMG Collateral, and all products and proceeds thereof, whether now existing or hereafter acquired.

b. *Status of the CLMG Adequate Protection Liens*. The CLMG Adequate Protection Liens shall be *pari passu* with the GACP Adequate Protection Liens and junior to the ABL Adequate Protections Liens in all respects and shall not otherwise be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (B) any lien or security interest arising after the Petition Date, or (ii) except as otherwise set forth in clauses (a)(i)-(ii) of this paragraph 13, subordinated to or made *pari passu* with any other lien or security interest, now or hereafter existing and whether authorized under sections 363 or 364 of the Bankruptcy Code or otherwise.

c. *Enforceability.* The CLMG Adequate Protection Liens shall not be subject to sections 510, 549, 550, or 551 of the Bankruptcy Code. The CLMG Adequate Protection Liens shall be enforceable against and binding upon the Debtors, their estates and any successors thereto, including, without limitation, any trustee or other estate representative appointed in the Debtors' Chapter 11 Cases or any Successor Case.

14. *Entitlement of GACP Secured Parties to Adequate Protection.* Pursuant to sections 361, 362, 363(c)(2), and 363(e) of the Bankruptcy Code, the GACP Secured Parties are entitled to adequate protection of their interests in the GACP Collateral, in an amount equal to the aggregate actual diminution in the value of the GACP Secured Parties' interests in the GACP Collateral from and after the Petition Date, if any, for any reason provided for under the Bankruptcy Code, including, without limitation, any such diminution resulting from the sale, lease, or use by the Debtors of the GACP Collateral, or the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code. ("GACP Diminution in Value").

15. *GACP Adequate Protection Claims and Liens*. GACP, in its capacity as administrative agent (the "GACP Agent"), and the lenders party thereto (the "GACP Lenders," and together with the GACP Agent, the "GACP Secured Parties") are hereby granted the following (collectively, the "GACP Adequate Protection Obligations" and together with the ABL Adequate Protection Obligations, the "Adequate Protection Obligations"), solely to the extent of any GACP Diminution in Value; provided that the collateral set forth in this paragraph 15 shall not include assets or property (other than GACP Collateral) upon which, and solely to the extent that, the grant of an Adequate Protection Lien as contemplated in this Interim Order, would constitute a default or event of default under any of the Debtors' contracts or leases (and such default would not be excused or rendered ineffective by operation of the Bankruptcy Code or applicable nonbankruptcy law), but shall include the proceeds thereof:

a. *GACP Adequate Protection Liens*. Pursuant to sections 361 and 363(e) of the Bankruptcy Code, as adequate protection against any actual GACP Diminution in Value (if any) of the GACP Collateral effective as of the Petition Date and perfected without the need for execution by the Debtors or the recordation or other filing by GACP of security agreements, control agreements, pledge agreements, mortgages or other Collateral Documents (as defined in the GACP Term Loan Credit Agreement) or financing statements or other similar documents, or the possession or control by GACP of any Adequate Protection Collateral, GACP is hereby granted, as security for the payment of the GACP Adequate Protection Obligations, the following security interests and liens (all such liens and security interests, the "GACP Adequate Protection Liens," and together with the ABL Adequate Protection Liens and CLMG Adequate Protection Liens, the "Adequate Protection Liens"):

(i) GACP Adequate Protection Liens Junior to Certain Existing Liens and Junior to ABL Adequate Protection Liens. Pursuant to sections 361(2) and 363(c)(2) of the Bankruptcy Code, valid, binding, continuing, enforceable, fully-perfected non-voidable junior priority liens on, and junior security interests in, all tangible and intangible assets, including without limitation, all prepetition and postpetition property of the Debtors' estates, and all products and proceeds thereof, whether now existing or hereafter acquired, that is subject to (a) valid, perfected, and unavoidable liens in existence as of the Petition Date, including, without limitation (i) the

assets subject to the ABL Adequate Protection Liens (other than with respect the GACP Collateral) and (ii) the GACP Collateral (which such liens on the GACP Collateral shall be junior to the ABL Adequate Protection Liens) or (b) valid and unavoidable liens in existence as of the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, which valid, perfected and unavoidable liens are senior in priority to the security interests and liens in favor of GACP (the foregoing liens being collectively referred to as the "Junior GACP Adequate Protection Liens").

(ii) Adequate Protection Liens Senior to Prepetition GACP Liens. Pursuant to sections 361(2) and 363(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected non-voidable priming lien on, and security interest in, all tangible and intangible assets comprising the GACP Collateral, and all products and proceeds thereof, whether now existing or hereafter acquired.

b. *Status of the GACP Adequate Protection Liens*. The GACP Adequate Protection Liens shall be *pari passu* with the CLMG Adequate Protection Liens and junior to the ABL Adequate Protections Liens in all respects and shall not otherwise be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (B) any lien or security interest arising after the Petition Date, or (ii) except as otherwise set forth in clauses (a)(i)-(ii) of this paragraph 15, subordinated to or made *pari passu* with any other lien or security interest, now or hereafter existing and whether authorized under sections 363 or 364 of the Bankruptcy Code or otherwise.

c. *Enforceability.* The GACP Adequate Protection Liens shall not be subject to sections 510, 549, 550, or 551 of the Bankruptcy Code. The GACP Adequate Protection Liens shall be enforceable against and binding upon the Debtors, their estates and any successors thereto, including, without limitation, any trustee or other estate representative appointed in the Debtors' Chapter 11 Cases or any Successor Case.

16. *Reporting*. As adequate protection for the Debtors' use of the Prepetition ABL Collateral (including Cash Collateral), the Debtors shall comply with the reporting requirements set forth in the Prepetition ABL Loan Documents, provided that notwithstanding anything to the contrary in this Interim Order or the Prepetition ABL Loan Documents, the Debtors shall not be required to deliver any Borrowing Base Certificates (as defined in the Prepetition ABL Credit

Agreement) to the Prepetition ABL Agent. For the avoidance of doubt, any forecast and financial reporting requirements under this Cash Collateral Order shall replace and be in lieu of any similar requirements under the Prepetition ABL Loan Documents. The Debtors shall provide the following additional reporting to the Prepetition ABL Agent and GACP (as applicable):

a. on or before 5:00 p.m. (Central Time) on every fourth Thursday (or, if such Thursday is not a business day, then the immediately succeeding business day), starting on the fourth Thursday following the entry of this Interim Order or such time period as otherwise agreed, until earlier of (i) confirmation of a chapter 11 plan by the Debtors or (ii) the repayment of the Prepetition ABL Obligations indefeasibly in full in cash, an updated Budget with respect to the Debtors for the current calendar week then ended and the immediately following consecutive 12 weeks (collectively, 13 weeks), set forth on a weekly basis. Each proposed Budget provided to the Prepetition ABL Agent shall be of no force and effect unless and until it is approved by the Prepetition ABL Agent, which approval has been supported or unopposed by the Required Lenders (as defined in the Prepetition ABL Credit Agreement), and, until such approval is given, the prior Budget shall remain in effect. Any such proposed Budget, upon the approval of the Prepetition ABL Agent shall become, as of the date of such approval or such determination (and the Prepetition ABL shall be deemed to have approved the Budget upon the passage of five (5) days with no objection) and for the period of time covered thereby, the Budget, and shall prospectively replace any prior Budget. If the Debtors and the Prepetition ABL Agent are unable to agree on a proposed Budget's terms, the Debtors reserve the right to seek an expedited hearing with the Court to resolve such disagreement. In that event, the Prepetition ABL Agent shall not oppose the request for expedited consideration provided that any such hearing is held on not less than 48 hours' notice to the Prepetition ABL Agent. In the event of any dispute regarding the terms of a Budget, the Debtors and the Prepetition ABL Agent reserve any and all rights under the Bankruptcy Code or applicable law;

b. on or before 5:00 p.m. (Central Time) on every Thursday (or, if such Thursday is not a business day, then the immediately succeeding business day), starting on the first Thursday following the entry of this Interim Order, the Debtors shall deliver to the Prepetition ABL Agent and GACP, on a line-by-line basis, a reconciliation report showing the variances comparing actual cash receipts and disbursements of the Debtors during the immediately-preceding calendar week with corresponding forecasted amounts for such week in the Budget, including written descriptions in reasonable detail explaining any material positive or negative variances;

c. all financial reports, forecasts and all other financial documentation, pleadings and other filings that are reasonably requested by the Prepetition ABL Agent, GACP, or their representatives and agents, including, but not limited to (i) any appraisals conducted by Hilco, GACP, or any other party, (ii) any other materials that may value the Debtors' intellectual property or real estate assets; (iii) weekly updates on the asset sale process, and (iv) weekly Frac Fleet updates;

d. in addition to, and without limiting, whatever rights to access the Prepetition ABL Agent has under the Prepetition ABL Loan Documents, upon reasonable notice, at reasonable times during normal business hours, the Debtors shall (a) permit representatives of the Prepetition ABL Agent to visit and inspect any of their respective properties, to examine and make abstracts or copies from any of their respective books and records, to tour the Debtors' business premises and other properties, and (b) cause their representatives and agents to make themselves reasonably available to discuss the Debtors' affairs, financial condition, properties, business, operations and accounts with the representatives and agents of the Prepetition ABL Agent.

17. *Carve Out*.

a. *Carve Out*. As used in this Interim Order, the "Carve Out" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to $75,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (the "Allowed Professional Fees") incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (the "Debtor Professionals") and the Creditors' Committee pursuant to section 328 or 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons") at any time before or on the first business day following delivery by the Prepetition ABL Agent of a Carve Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $1 million incurred after the first business day following delivery by the Prepetition ABL Agent of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "Post-Carve Out Trigger Notice Cap"). For purposes of the foregoing, "Carve Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the Prepetition ABL Agent to the Debtors, the Debtors' lead restructuring

counsel, the U.S. Trustee, and counsel to the Creditors' Committee, which notice may be delivered following the occurrence and during the continuation of a Termination Event (as defined below) and upon termination of the Debtors' right to use Cash Collateral by the Prepetition ABL Secured Parties, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

b. *Fee Estimates*. Not later than 7:00 p.m. New York time on the Wednesday of each week starting with the first full calendar week following the Petition Date, each Professional Person shall deliver to the Debtors a statement setting forth a good-faith estimate of the amount of fees and expenses incurred during the preceding week by such Professional Person (through Saturday of such week, the "Calculation Date") (collectively, "Estimated Fees and Expenses"), along with a good-faith estimate of the cumulative total amount of unreimbursed fees and expenses incurred through the applicable Calculation Date and a statement of the amount of such fees and expenses that have been paid to date by the Debtors (each such statement, a "Weekly Statement"); provided, that within one business day of the occurrence of the Termination Declaration Date (as defined below), each Professional Person shall deliver one additional statement (the "Final Statement") setting forth a good-faith estimate of the amount of fees and expenses incurred during the period commencing on the calendar day after the most recent Calculation Date for which a Weekly Statement has been delivered and concluding on the Termination Declaration Date (and the Debtors shall cause such Weekly Statement and Final Statement to be delivered on the same day received to the Prepetition ABL Agent). If any Professional Person fails to deliver a Weekly Statement within three calendar days after such Weekly Statement is due, such Professional Person's entitlement (if any) to any funds in the Carve Out Reserves (as defined below) with respect to the aggregate unpaid amount of Allowed Professional Fees for the applicable period(s) for which such Professional Person failed to deliver a Weekly Statement covering such period shall be limited to the aggregate unpaid amount of Allowed Professional Fees included in the Budget for such period for such Professional Person.

c. *Carve Out Reserves.*

(i) Commencing with the week ended July 31, 2020,[3] and on or before the Thursday of each week thereafter, the Debtors shall utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the greater of (x) (i) for the week ending July 31, 2020, the aggregate amount of

[3] For the avoidance of doubt, should the Prepetition ABL Agent deliver a Carve Out Trigger Notice prior to this date, the Debtors shall utilize all cash on hand to fund a reserve in an amount equal to the then unpaid amounts of the Allowed Professional Fees and any other reserves contemplated by this Interim Order.

all Estimated Fees and Expenses reflected in all Weekly Statements delivered to the Debtors and the Prepetition ABL Agent between the Petition Date and the immediately prior Wednesday and (ii) for all weeks after the week ending July 31, 2020, the aggregate amount of all Estimated Fees and Expenses reflected in the Weekly Statement delivered on the immediately prior Wednesday to the Debtors and the Prepetition ABL Agent, and (y) (i) for the week ending July 31, 2020, the aggregate amount of Allowed Professional Fees contemplated to be incurred in the Budget during all prior weeks of the case and (ii) for all weeks after the week ending July 31, 2020, the aggregate amount of Allowed Professional Fees contemplated to be incurred in the Budget during such week. The Debtors shall deposit and hold such amounts in a segregated account in trust to pay such Allowed Professional Fees (the "Pre-Carve Out Trigger Notice Reserve") prior to any and all other claims, and all payments of Allowed Professional fees incurred prior to the Termination Declaration Date shall be paid first from such Pre-Carve Out Trigger Notice Reserve Account. Upon the foregoing funding, the Prepetition ABL Agent and Prepetition ABL Secured Parties shall have no further obligation to fund the Pre-Carve Out Trigger Notice Reserve or subordinate their liens and claims on account of any Allowed Professional Fees incurred through the Calculation Date for the most recent Weekly Statement delivered in accordance with Paragraph 17(b) above.

(ii) On the day on which a Carve Out Trigger Notice is given by the Prepetition ABL Agent to the Debtors with a copy to counsel to any Creditors' Committee (the "Termination Declaration Date"), the Carve Out Trigger Notice shall constitute a demand to the Debtors to and the Debtors shall utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund (A) the Pre-Carve Out Trigger Notice Reserve Account in an amount equal to the aggregate amount of all Estimated Fees and Expenses reflected in the Final Reports delivered to Debtors and the Prepetition ABL Agent plus the amounts set forth in (a)(i) and (a)(ii) of this paragraph above, and (B) after funding the Pre-Carve Out Trigger Notice Reserve Account, a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap (the "Post-Carve Out Trigger Notice Reserve" and, together with the Pre-Carve Out Trigger Notice Reserve, the "Carve Out Reserves") prior to any and all other claims. All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve Out set forth above (the "Pre-Carve Out Amounts"), but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap, until paid in full, and then, to the extent the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the Prepetition ABL Agent for the benefit of the Prepetition

ABL Secured Parties, unless the Prepetition ABL Obligations have been indefeasibly paid in full, in cash, in which case any such excess shall be paid to the Debtors' creditors in accordance with their rights and priorities as of the Petition Date. Upon the foregoing funding, the Prepetition ABL Agent and Prepetition ABL Secured Parties shall have no further obligation to fund the Pre-Carve Out Trigger Notice Reserve or Post-Carve Out Trigger Notice Reserve or subordinate their liens and claims on account of any Allowed Professional Fees.

d. *Application to Carve Out Reserves*. All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the "Post-Carve Out Amounts"), and then, to the extent the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the Prepetition ABL Secured Parties in accordance with their rights and priorities under applicable law, unless the Prepetition ABL Obligations have been indefeasibly paid in full, in cash, in which case any such excess shall be paid to the Debtors' creditors in accordance with their rights and priorities as of the Petition Date. Notwithstanding anything to the contrary in the Prepetition ABL Loan Documents, or this Interim Order, if either of the Carve Out Reserves is not funded in full in the amounts set forth in paragraph 17(b), then, any excess funds in one of the Carve Out Reserves following the payment of the Pre-Carve Out Amounts and Post-Carve Out Amounts, respectively, shall be used to fund the other Carve Out Reserve, up to the applicable amount set forth in paragraph 17(a), prior to making any payments to the Prepetition ABL Agent, for the benefit of the Prepetition ABL Lenders, or any of the Debtors' creditors, as applicable. Notwithstanding anything to the contrary in the Prepetition ABL Loan Documents or this Interim Order, following delivery of a Carve Out Trigger Notice, the Prepetition ABL Secured Parties shall not, and shall not direct any entity to, sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid to the Prepetition ABL Agent, for the benefit of the Prepetition ABL Lenders, for application in accordance with the Prepetition ABL Loan Documents. Further, notwithstanding anything to the contrary in this Interim Order, (i) disbursements by the Debtors from the Carve Out Reserves shall not constitute Loans (as defined in the Prepetition ABL Loan Documents) or increase or reduce the Prepetition ABL Obligations, (ii) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out, and (iii) in no way shall the Budget, Carve Out, Post-Carve Out Trigger Notice Cap, Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary in this Interim Order or in any Prepetition ABL Loan

Documents, the Carve Out shall be senior to all liens and claims securing the Prepetition ABL Collateral, the ABL Adequate Protection Liens, and the 507(b) Claim, and any and all other forms of adequate protection, liens, or claims securing the Prepetition ABL Obligations.

e. *Payment of Allowed Professional Fees Prior to the Termination Declaration Date.* Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out.

f. *No Direct Obligation to Pay Allowed Professional Fees.* None of the Prepetition ABL Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Chapter 11 Cases or any successor cases under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the Prepetition ABL Secured Parties, in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

g. *Payment of Carve Out On or After the Termination Declaration Date*. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for dollar basis.

18. *Termination*. The Debtors' right to use Cash Collateral shall terminate (the date of any such termination, the "Termination Date"), without prior order of this Court or any further action by the Prepetition ABL Secured Parties (i) at 11:59 p.m. (prevailing Eastern Time) on August 29, 2020, or (ii) five (5) business days following the delivery of a written notice (a "Default Notice") by the Prepetition ABL Agent to Kirkland & Ellis LLP (any such five (5) business-day period of time, the "Default Notice Period") of the occurrence of any of the events set forth in clauses (a) through (k) below (unless cured by the Debtors or waived by the Prepetition ABL Administrative Agent, with the consent of the Required Lenders, in writing (with email being sufficient) prior to expiration of the Default Notice Period); provided that, if a hearing to consider any appropriate relief in connection with delivery of the Default Notice or continued use of Cash Collateral (as may be held on an expedited basis) is requested to be heard within such five (5)

business day period but is scheduled for a later date by the Court, the Default Notice Period shall be automatically extended to the date of such hearing (the events set forth in clauses (a) through (k) below are collectively referred to herein as the "Termination Events"):

a. the failure to obtain entry of a Final Order acceptable to the Prepetition ABL Agent on or before thirty (30) days after the entry of this Interim Order (unless such period is extended by mutual agreement between the Prepetition ABL Agent and the Debtors, which extension may be documented by email) if the Final Order has not been entered by this Court on or before such date (provided that such thirty (30)-day period shall be automatically extended by five (5) days to the extent it is not reasonably feasible to hold and conclude a final hearing (if necessary) prior to the expiration of such thirty (30)-day period as a result of the closure of the Court due to the events or circumstances surrounding the virus known as COVID-19, and the Prepetition ABL Lenders and the Prepetition ABL Agent shall be deemed to have automatically agreed to such extension);

b. any Debtor's failure to comply with any of the material terms or conditions of this Interim Order, including, but not limited to, (i) the use of Cash Collateral for any purpose other than as permitted in this Interim Order, (ii) failure to comply with the Budget (including any distributions in excess of the Permitted Variance that have not been resolved and approved, in writing, by the Prepetition ABL Agent), or (iii) failure to comply with the reporting requirements set forth in this Interim Order; provided that notwithstanding anything to the contrary in this Interim Order or the Prepetition ABL Loan Documents, the Debtors shall not be required to deliver any Borrowing Base Certificates (as defined in the Prepetition ABL Credit Agreement) to the Prepetition ABL Agent;

c. the failure of the Debtors to make any payment under this Interim Order to the Prepetition ABL Agent within three (3) business days after such payment becomes due, other than payments required pursuant to paragraph 13(b) of this Interim Order, which payments shall be made as required therein;

d. this Interim Order ceases, for any reason (other than by reason of the express written agreement by the Prepetition ABL Agent, which agreement has been supported or unopposed by the Required Lenders, or the supersession of this Interim Order by the Final Order), to be in full force and effect in any material respect, or any Debtor so asserts in writing, or the Adequate Protection Liens or Adequate Protection Superpriority Claims created by this Interim Order cease in any material respect to be enforceable and of the same effect and priority purported to be created hereby or any Debtor so asserts in writing;

e. the termination of the asset purchase agreement with CSL Capital Management, L.P. ("CSL") for the proposed sale of certain of the Debtors' assets as set forth in the Debtors' sale motion [Docket No. 160], including the next-generation frac pumping platform referred to as TITAN™, certain intellectual property assets, and certain machinery and equipment that comprises four of the Debtors' fracturing fleets (collectively, the "Sale Assets"), and, if applicable, any binding asset purchase agreement with any third-party that is on substantially similar or better terms;

f. the Court shall have entered an order reversing, amending, supplementing, staying, vacating, or otherwise modifying this Interim Order in a manner materially adverse to the Prepetition ABL Secured Parties without the prior written consent of the of the Prepetition ABL Agent, which consent may be provided by electronic mail;

g. the date an application, motion, or other pleading is filed by the Debtors for the approval of, or the date the Court shall have entered an order recognizing or granting, any superpriority claim or any lien in these Chapter 11 Cases that is *pari passu* with or senior to the ABL Adequate Protection Superpriority Claims or the ABL Adequate Protection Liens without the prior written consent of the Prepetition ABL Secured Parties (other than the Carve Out);

h. the date any of the Debtors files any pleading or commences any action against the Prepetition ABL Secured Parties challenging the validity or enforceability of the Prepetition ABL Obligations or the Prepetition ABL Liens or seeking to avoid, disallow, subordinate, or recharacterize any claim, lien, or interest held by any of the Prepetition ABL Secured Parties arising under or related to the Prepetition ABL Obligations (or if the Debtor supports any such motion, pleading, application or adversary proceeding commenced by any third party); provided that if the Debtors provide any response to any discovery request, or make a witness available for deposition, such action shall not be a violation of this subparagraph 18(h);

i. the date any of the Debtors file or otherwise support any motion, pleading, or other document, including a chapter 11 plan, that (i) seeks to amend, modify, or supplement this Interim Order, or (ii) otherwise materially, negatively affects the Prepetition ABL Secured Parties, without the prior written consent of the Prepetition ABL Agent; provided, that the consent of the Prepetition ABL Agent shall not be required if, pursuant to a chapter 11 plan, the Prepetition ABL Obligations and Adequate Protection Obligations are indefeasibly paid in full in cash on the effective date of such plan.

j. the date any of the Debtors file a motion seeking an order, or the date any court of competent jurisdiction enters an order, dismissing the Chapter 11 Cases, converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, appointing a trustee, responsible officer, or examiner

with expanded powers relating to the operation of the organization in the Chapter 11 Cases, or terminating the Debtors' exclusivity under Bankruptcy Code section 1121, unless consented to in writing by the Prepetition ABL Agent, which consent has been approved or unopposed by the Required Lenders;

k. the filing of any pleading by any Debtor in support of (in any such case by way of any motion or other pleading filed with the Court or any other writing to another party in interest executed by or on behalf of any such Debtor) any other person's opposition to any motion filed in the Court by the Prepetition ABL Agent or the Prepetition ABL Lenders seeking confirmation of the amount of its claims or the validity or enforceability of the Prepetition ABL Liens or the Adequate Protection Liens, except with regard to good faith disputes over the payment of expenses and fees, provided that if the Debtors provided any response to any discovery request, or make a witness available for deposition, such action shall not be a violation of this subparagraph 18(k);

l. the Court shall have entered an order granting relief from the automatic stay (without the consent of the Prepetition ABL Lenders) to the holder or holders of any security interest to permit foreclosure (or the granting of a deed *in lieu* of foreclosure or the like) on any of the Prepetition ABL Collateral or Adequate Protection Collateral on which the Prepetition ABL Lenders have a first-priority security interest, which has an aggregate value in excess of $50,000; provided however, that to the extent such lien can be satisfied by amounts contemplated to pay prepetition liens in the Budget, any relief granted on account of such liens shall not trigger a Termination Event.

19. *Rights and Remedies upon Termination Event*. Except as otherwise ordered by the Court, following the expiration of the Default Notice Period, notwithstanding the provisions of section 362 of the Bankruptcy Code, without any application, motion, or notice to, hearing before, or order from the Court, but subject to the terms of this Interim Order, any Adequate Protection Obligations determined by the Court to be due and owing as of the delivery of the Termination Notice, if any, shall become due and payable and/or the Prepetition ABL Secured Parties shall be entitled to exercise their rights and remedies. Prior to exercising the remedies set forth in this sentence below, the Prepetition ABL Secured Parties shall be required to file a motion with the Court seeking emergency relief (the "Stay Relief Motion") on no less than five (5) business days'

written notice, which notice period may be concurrent with the Default Notice Period, to (i) the Court, (ii) counsel for the Debtors, (iii) counsel for the Creditors' Committee (if any), and (iv) the U.S. Trustee for a further order of the Court modifying the automatic stay in the Chapter 11 Cases to permit the Prepetition ABL Secured Parties to exercise their rights and remedies against the Prepetition ABL Collateral or Adequate Protection Collateral to the extent available in accordance with the applicable Prepetition ABL Loan Documents, this Interim Order, or applicable law, including (x) setting-off amounts in any account of the Debtors maintained with the Prepetition ABL Agent or Prepetition ABL Lenders with respect to which the Prepetition ABL Agent controls pursuant to a deposit account control agreement to the extent necessary for payment of the Adequate Protection Obligations determined by the Court to be due and payable as of the delivery of the Termination Notice and (y) foreclosing upon and selling all or a portion of the Prepetition ABL Collateral or Adequate Protection Collateral in order to collect the Adequate Protection Obligations. Upon the Court's ruling on the Stay Relief Motion, the Court may fashion an appropriate remedy upon a determination that a Termination Event occurred, including that the Prepetition ABL Agent shall be entitled to exercise all rights and remedies with respect to the Collateral provided for in this Interim Order, including the right to foreclose on or otherwise exercise its rights with respect to all or any portion of the Collateral, as permitted by the Court. Upon the occurrence of the delivery of a Default Notice, the Debtors, the Prepetition ABL Agent, and each Prepetition ABL Secured Party consent to a hearing on an expedited basis to consider whether (a) a Termination Event has occurred and (b) any other appropriate relief (including, without limitation, the Debtors' non-consensual use of Cash Collateral). During the Default Notice Period, the Debtors shall be entitled to continue to use the Cash Collateral in accordance with the terms of the Budget and this Interim Order. Notwithstanding anything to the contrary herein, upon

a Termination Event, the delivery of a Default Notice, the expiration of the Default Notice Period, or the occurrence of the Termination Date, all of the rights, remedies, benefits, and protections provided to the Prepetition ABL Secured Parties under this Interim Order shall survive. Except as otherwise provided herein or ordered by the Court, neither section 105 of the Bankruptcy Code nor any other provision of the Bankruptcy Code or applicable law shall be utilized to prohibit the exercise, enjoyment and enforcement of any rights, benefits, privileges and remedies set forth in this paragraph.

20. *Modification of Automatic Stay*. Except as provided in paragraph 15 herein, the automatic stay under section 362(a) of the Bankruptcy Code is hereby modified to the extent necessary to effectuate all of the terms and provisions of this Interim Order, including, without limitation, to: (a) permit the Debtors to grant the Adequate Protection Liens and Adequate Protection Superpriority Claims; (b) permit the Debtors to perform such acts as the Prepetition ABL Secured Parties may reasonably request to assure the perfection and priority of the liens granted herein; (c) permit the Debtors to incur all liabilities and obligations to the Prepetition ABL Secured Parties under this Interim Order; (d) authorize the Debtors to pay, and the Prepetition ABL Secured Parties to retain and apply, any payments made in accordance with the terms of this Interim Order; and (e) permit the Prepetition ABL Secured Parties, subject to the terms of this Interim Order, to exercise all rights and remedies provided for hereunder; provided that during the Default Notice Period, unless otherwise ordered by the Court, the automatic stay under section 362 of the Bankruptcy Code shall remain in effect.

21. *Limitation on Charging Expenses Against Collateral*. Subject only to and effective upon entry of the Final Order, except to the extent of the Carve Out, no costs or expenses of administration which have been or may be incurred in these Chapter 11 Cases or any Successor

Case at any time shall be surcharged against, and no person may seek to surcharge any costs or expenses of administration against the Prepetition ABL Secured Parties, or any of the Prepetition ABL Obligations, the Carve Out, or the Prepetition ABL Collateral, pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise, without the prior written consent of the Prepetition ABL Agent, which consent is approved or unopposed by the Required Lenders. Subject to the Carve Out, nothing contained in this Interim Order shall be deemed a consent by the Prepetition ABL Agent to any charge, lien, assessment, or claim against the Prepetition ABL Collateral, or the Adequate Protection Liens, or otherwise, and no action, inaction or acquiescence by the Prepetition ABL Agent shall be deemed to be or shall be considered evidence of any alleged consent to a surcharge against the Prepetition ABL Secured Parties, the Prepetition ABL Obligations, or the Prepetition ABL Collateral. Notwithstanding the foregoing and for the avoidance of doubt, the Debtors and the Prepetition ABL Secured Parties reserve all rights to seek to surcharge costs and expenses of administration against GACP, the GACP Collateral, CLMG and the CLMG Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise.

22. *Section 552(b) of the Bankruptcy Code*. Subject only to and effective upon entry of the Final Order, the Prepetition ABL Secured Parties shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and no person may assert an "equities of the case" claim under section 552(b) of the Bankruptcy Code against the Prepetition ABL Secured Parties with respect to proceeds, product, offspring, or profits of any of the Prepetition ABL Collateral.

23. *Payments Free and Clear*. Subject and subordinate to the Carve Out, any and all proceeds remitted to the Prepetition ABL Agent pursuant to the terms of this Interim Order or any subsequent order of this Court shall be irrevocable (subject to paragraphs 31 and 32 of this Interim

Order), received free and clear of any claim, charge, assessment, or other liability, including, without limitation, but subject to entry of the Final Order, any such claim or charge arising out of or based on, directly or indirectly, section 506(c) of the Bankruptcy Code or the "equities of the case" exception of section 552(b) of the Bankruptcy Code.

24. *All Parties' Reservation of Rights*. All parties reserve their rights to argue that, to the extent that any cash payment of interest, fees, and expenses as adequate protection to the Prepetition ABL Secured Parties, the CLMG Secured Parties, or the GACP Secured Parties is not allowed under section 506(b) of the Bankruptcy Code and not allowed on any other basis (including, without limitation, (i) on account of the Debtors' use of Prepetition ABL Collateral, CLMG Collateral, or GACP Collateral and (ii) that there has been ABL Diminution in Value, CLMG Diminution in Value, or GACP Diminution in Value), such payments should be recharacterized and applied as payments of principal owed under the applicable Prepetition ABL Loan Document, under the CLMG Term Loan Credit Agreement, or under the GACP Term Loan Credit Agreement, as applicable.

25. *Debtors' Reservation of Rights*. Notwithstanding anything to the contrary in this Interim Order, the entry of this Interim Order and the grant of adequate protection to the Prepetition ABL Secured Parties and the Prepetition ABL Agent pursuant to the terms hereof shall be without prejudice to the rights of the Debtors to, following the occurrence of the Termination Date, seek authority (at any time) to use Cash Collateral and the Prepetition ABL Collateral without the consent of the Prepetition ABL Secured Parties, and the Prepetition ABL Secured Parties reserve all of their respective rights with respect to contesting any such motion or request by the Debtors or any other person.

26. *No Marshaling*. Subject only to and effective upon entry of the Final Order, the Prepetition ABL Secured Parties shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the Prepetition ABL Collateral, and proceeds of the Prepetition ABL Collateral shall be received and applied pursuant to this Interim Order and the Prepetition ABL Loan Documents notwithstanding any other agreement or provision to the contrary. Subject to the Carve Out, without limiting the generality of the immediately preceding sentence, no party shall be entitled, directly or indirectly, to direct the exercise of remedies or seek (whether by order of this Court or otherwise) to marshal or otherwise control the disposition of the Prepetition ABL Collateral after a Termination Event.

27. *Continuation of Prepetition ABL Liens*. Subject to the rights set forth in paragraph 29, until the Prepetition ABL Secured Parties are Paid in Full, all liens and security interests of the Prepetition ABL Secured Parties (including, without limitation, the Adequate Protection Liens) shall remain valid and enforceable with the same continuing priority as described herein. The term "Paid in Full" or "Payment in Full" means except as otherwise agreed to by, the Prepetition Secured Parties (including through entry of an order confirming a chapter 11 plan reasonably acceptable to the Prepetition Secured Parties), all of the Prepetition ABL Obligations and Adequate Protection Obligations have been indefeasibly paid in full in cash and completely satisfied (including the cash collateralization of any letters of credit) and all Commitments (as defined in the Prepetition ABL Credit Agreement) have been terminated.

28. *Continuation of Prepetition CLMG Liens*. Until the Prepetition CLMG Obligations have been satisfied (including by payment in cash, turnover of collateral, or consent to release

liens), all liens and security interests of the CLMG Secured Parties shall remain valid and enforceable with the same continuing priority as described herein.

29. *Continuation of the Prepetition GACP Liens*. Until the Prepetition GACP Obligations have been satisfied (including by payment in cash, turnover of collateral, or consent to release liens), all liens and security interests of the GACP Secured Parties shall remain valid and enforceable with the same continuing priority as described herein

30. *Perfection of ABL Adequate Protection Liens*.

a. The Prepetition ABL Secured Parties are hereby authorized, but not required, to file or record financing statements, trademark filings, copyright filings, patent filings, mortgages, deeds of trust, notices of lien or similar instruments in any jurisdiction, or take possession of or control over cash or securities, or take any other action in order to validate and perfect the ABL Adequate Protection Liens; provided, however, that the Prepetition ABL Secured Parties may not take any aforementioned action to file or record such instruments against the CLMG Collateral or GACP Collateral. Whether or not the Prepetition ABL Secured Parties shall, each, in its sole discretion, choose to file such financing statements, trademark filings, copyright filings, patent filings, mortgages, deeds of trust, notices of lien or similar instruments, or take possession of or control over any cash, securities or any other property of the Debtors, or take any action that otherwise may be required under federal, state or local law in any jurisdiction to validate and perfect a security interest or lien, in any such case, the ABL Adequate Protection Liens shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination (subject to the priorities set forth in this Interim Order), at the time and on the date of entry of this Interim Order or thereafter. Upon the reasonable request of any of the Prepetition ABL Secured Parties, the Prepetition ABL Secured Parties and the Debtors, without any further consent of any party, are authorized to take, execute, deliver and file such instruments (in each case, without representation or warranty of any kind) to enable the Prepetition ABL Secured Parties to further validate, perfect, preserve and enforce the ABL Adequate Protection Liens. All such documents will be deemed to have been recorded and filed as of the Petition Date.

b. A certified copy of this Interim Order (or the notice of the filing hereof) may, in the discretion of the Prepetition ABL Secured Parties, be filed with or recorded in filing or recording offices in addition to or *in lieu* of such financing statements, mortgages, deeds of trust, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such

certified copy of this Interim Order or notice for filing and/or recording, as applicable. The automatic stay of section 362(a) of the Bankruptcy Code shall be, and hereby is deemed, modified to the extent necessary to permit the Prepetition ABL Secured Parties to take all actions, as applicable, referenced in this paragraph 30(a) and 30(b).

31. *Effect of Stipulations on Third Parties*. Each of the Debtors' Stipulations and each of the Debtors' other admissions, agreements and releases contained in this Interim Order, including, without limitation, in paragraph 4 of this Interim Order, shall be binding upon the Debtors and all other parties in interest, including, without limitation, any statutory or non-statutory committees appointed or formed in these cases (including a Creditors' Committee, if any) and any other person or entity acting or seeking to act on behalf of the Debtors' estates, including any chapter 7 or chapter 11 trustee or examiner appointed or elected for any of the Debtors (a "Trustee"), in all circumstances and for all purposes unless: (a) any party in interest (including any Trustee), with requisite standing, has duly filed an adversary proceeding or contested matter, as required under the Bankruptcy Rules (subject in either case to the limitations contained herein, including without limitation, in paragraph 32), challenging the validity, enforceability, priority, or extent of the Prepetition ABL Obligations, the liens on the Prepetition ABL Collateral securing the Prepetition ABL Obligations, the Prepetition CLMG Obligations, the CLMG Collateral, or otherwise asserting or prosecuting any Avoidance Actions or any other claims, counterclaims or causes of action, objections, contests or defenses (collectively, the "Claims and Defenses") against the Prepetition ABL Agent, any of the other Prepetition ABL Secured Parties, or the CLMG Secured Parties or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors in connection with any matter related to the Prepetition ABL Obligations, the Prepetition ABL Collateral, the Prepetition CLMG Obligations, or the CLMG Collateral (as applicable) by no later than the date that is the earlier of (A) seventy-five (75) days after the date of entry of this Interim Order (the "Challenge Deadline"), (B) the effective date of a

confirmed chapter 11 plan, or (C) any such later date as has been ordered by the Court for cause upon a motion filed and served prior to the expiration of the deadline to commence a challenge (such time period, the "Challenge Period"), and (b) an order is entered by a court of competent jurisdiction and becomes final and non-appealable in favor of the plaintiff sustaining any such challenge or claim in any such duly filed adversary proceeding or contested matter; provided that, as to the Debtors, all such Claims and Defenses are hereby irrevocably waived and relinquished as of the Petition Date. If no such adversary proceeding or contested matter is timely filed prior to the expiration of the Challenge Period, without further order of this Court: (x) the Prepetition ABL Obligations, Prepetition CLMG Obligations, and the Prepetition GACP Obligations shall constitute allowed claims, not subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance, for all purposes in the Cases and any subsequent chapter 7 case; (y) the Prepetition ABL Agent's liens on the Prepetition ABL Collateral, CLMG's liens on the CLMG Collateral, and GACP's liens on the GACP Collateral shall be deemed to have been, as of the Petition Date, and to be, legal, valid, binding, perfected and of the priority specified in paragraph 4(d), not subject to defense, counterclaim, recharacterization, subordination or avoidance; and (z) the Prepetition ABL Obligations, the Prepetition ABL Agent's liens on the Prepetition ABL Collateral, the other Prepetition ABL Secured Parties; the Prepetition CLMG Obligations, CLMG's liens on the CLMG Collateral, and the other CLMG Secured Parties (and their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys, or advisors); and the Prepetition GACP Obligations, GACP's liens on the GACP Collateral, and the other GACP Secured Parties (and their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys, or advisors), shall not be subject to any other or further challenge by any party in interest, and any such party in interest shall be enjoined from seeking to exercise the

rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a Trustee, whether such Trustee is appointed or elected prior to or following the expiration of the Challenge Period). If any such adversary proceeding or contested matter is timely filed prior to the expiration of the Challenge Period, the stipulations and admissions contained in this Interim Order, including without limitation, in paragraph 4 of this Interim Order, shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on any person, including any Trustee, except as to any such findings and admissions that were expressly and successfully challenged in such adversary proceeding or contested matter. Nothing in this Interim Order vests or confers on any person, including a Trustee, standing or authority to pursue any cause of action belonging to the Debtors or their estates. In the event that there is a timely successful challenge brought pursuant to this paragraph 28, the Court shall retain jurisdiction to fashion an appropriate remedy.

32. *Limitation on Use of Collateral*. Subject to the Carve Out, notwithstanding anything herein or in any other order by this Court to the contrary, no Cash Collateral, Prepetition ABL Collateral, proceeds, products, or offspring of any of the foregoing or any portion of the Carve Out may be used to (except to the extent otherwise expressly agreed in writing by the Prepetition ABL Agent in response to a written request from the Debtors specifying the proposed use) pay any claims for services rendered by any of the professionals retained by the Debtors, any creditor or party in interest, any committee (including any Creditors' Committee), any Trustee, or any other person, party, or entity (or to pay any professional fees and disbursements in connection therewith) to: (a) apply to the Court for authority to approve superpriority claims or grant liens or security interests in the Prepetition ABL Collateral and Cash Collateral, or any portion thereof that are senior to, or on parity with, the Prepetition ABL Liens, unless the Prepetition ABL Obligations,

and claims granted to the Prepetition ABL Secured Parties under this Interim Order, as applicable, have been Paid in Full or otherwise agreed to in writing by the Prepetition ABL Secured Parties; (b) prevent, hinder or otherwise delay the Prepetition ABL Secured Parties' assertion, enforcement or realization on the Prepetition ABL Collateral, including Cash Collateral, and liens, claims and rights granted to the Prepetition ABL Secured Parties under this Interim Order, in accordance with the Prepetition ABL Loan Documents or this Interim Order; (c) seek to modify any of the rights and remedies granted to the Prepetition ABL Secured Parties under this Interim Order or the Prepetition ABL Loan Documents; (e) pay any amount on account of any claims arising prior to the Petition Date unless such payments are provided for in the Budget and approved by an order of this Court that is in form and substance reasonably satisfactory to the Prepetition ABL Agent; (f) subject to paragraph 24, investigate, assert, join, commence, support or prosecute any action or claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination or similar relief against the Prepetition ABL Secured Parties or their respective officers, directors, employees, agents, attorneys, affiliates, assigns, or successors, with respect to any transaction, occurrence, omission, or action, including, without limitation, (i) any avoidance actions or other actions arising under chapter 5 of the Bankruptcy Code, (ii) any action relating to any act, omission, or aspect of the relationship between the Prepetition ABL Secured Parties, on the one hand, and the Debtors or any of their affiliates, on the other, (iii) any action with respect to the validity and extent of the Prepetition ABL Obligations, or the validity, extent, and priority of the Prepetition ABL Liens or the Adequate Protection Liens, (iv) any action seeking to invalidate, set aside, avoid or subordinate, in whole or in part, the Prepetition ABL Liens or the Adequate Protection Liens granted under this Order, (v) except to contest the occurrence of a Termination Event as permitted

in paragraph 18, any action that has the effect of preventing, hindering or delaying (whether directly or indirectly) the Prepetition ABL Secured Parties in respect of their liens and security interests in the Cash Collateral or the Prepetition ABL Collateral, (vi) pay any fees or similar amounts to any person to purchase the Prepetition ABL Secured Parties' interests in any of the Debtors' assets without the prior written consent of the Prepetition ABL Secured Parties, unless such person consummates or otherwise closes the purchase of the Prepetition ABL Secured Parties' interests in any of the Debtors' assets, or (vii) use or seek to use Cash Collateral unless otherwise permitted hereby, without the prior written consent of the Prepetition ABL Secured Parties; or (g) for objecting to, contesting, delaying, preventing, hindering or otherwise interfering in any way with the exercise of rights or remedies by the Prepetition ABL Secured Parties with respect to any Prepetition ABL Collateral, including Cash Collateral, after the occurrence of an Termination Event, except as otherwise permitted hereby; provided that, notwithstanding anything to the contrary in this paragraph, any Creditors' Committee may use Prepetition ABL Collateral, including Cash Collateral, and the proceeds thereof to solely investigate, but not to prepare, initiate, litigate, prosecute, object to, or otherwise challenge (i) the claims and liens of the Prepetition ABL Secured Parties and (ii) potential claims, counterclaims, causes of action, or defenses, including the Claims and Defenses, against the Prepetition ABL Secured Parties; provided further that no more than an aggregate of $50,000 of the Prepetition ABL Collateral, including Cash Collateral, and the proceeds thereof may be used by any Creditors' Committee, in respect of the investigations set forth in the preceding proviso (the "Investigation Budget").

33. *Release*. The release, discharge, waivers, settlements, compromises, and agreements set forth in this paragraph shall be deemed effective upon entry of this Interim Order and subject only to the challenge rights set forth in paragraph 31 above. The Debtors forever and

irrevocably: (a) release, discharge, and acquit the Prepetition ABL Secured Parties and their affiliates and each of their and their affiliates' respective former, current or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, and predecessors in interest (each, a "Prepetition Releasee") of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, and obligations, of every type arising prior to the Petition Date, including, without limitation, any claims arising from any actions relating to any aspect of the relationship between the Prepetition ABL Secured Parties and the Debtors and their affiliates including any equitable subordination claims or defenses, with respect to or relating to the Prepetition ABL Obligations, the Prepetition ABL Liens, the Prepetition ABL Loan Documents, the Debtors' attempts to restructure the Prepetition ABL Obligations, any and all claims and causes of action arising under title 11 of the United States Code, and any and all claims regarding the validity, priority, perfection or avoidability of the liens or secured claims of the Prepetition ABL Secured Parties, in respect of events that occurred on or prior to the date hereof; and (b) waive any and all defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, priority, enforceability and non-avoidability of the Prepetition ABL Obligations, the Prepetition ABL Liens. Nothing in this Interim Order shall release any claims against a Prepetition Releasee that a court of competent jurisdiction determines, pursuant to a final, non-appealable order, results primarily from the actual fraud, gross negligence, or willful misconduct of such Prepetition Releasee.

34. *Prohibition on Granting of Additional Liens and Interests, Use of Prepetition ABL Collateral*. No liens, claims, interests or priority status, other than the Carve Out and the Permitted Encumbrances, having a lien or administrative priority superior to or *pari passu* with that of the

Adequate Protection Superpriority Claim, the Prepetition ABL Liens , or the Adequate Protection Liens shall be granted while any portion of the Prepetition ABL Obligations remain outstanding, or any commitment under the Prepetition ABL Loan Documents remains in effect, without the prior written consent of the Prepetition ABL Secured Parties. Nothing in this Interim Order shall authorize, other than in the ordinary course of the Debtors' business, the sale, transfer, lease, encumbrance, or other disposition of any assets that constitute Prepetition ABL Collateral, CLMG Collateral, or GACP Collateral of the Debtors or their estates without the prior written consent of the Prepetition ABL Secured Parties, CLMG Secured Parties, or GACP Secured Parties, as applicable (and no such consent or direction shall be implied from any other action, inaction, or acquiescence by any Prepetition ABL Secured Party or any order of this Court), except as permitted in the Prepetition ABL Loan Documents, the CLMG Term Loan Agreement, the GACP Term Loan Agreement, and this Interim Order, and approved by the Court to the extent required under applicable bankruptcy law; provided that a Termination Event shall not be deemed to occur if the Debtors seek approval of debtor in possession financing, including, without limitation, debtor in possession financing which primes existing liens, to the extent (i) such debtor in possession financing provides for Payment in Full of the Prepetition ABL Obligations, and Adequate Protection Obligations or (ii) the Prepetition ABL Agent provides prior written consent, which consent is approved or unopposed by the Required Lenders, for financing that does not provide for Payment in Full of the Prepetition ABL Obligations and Adequate Protection Obligations.

35. *No Impairment of CLMG Collateral.* Unless otherwise provided in this Interim Order, nothing shall authorize the Debtors, the Prepetition ABL Lenders, or any other party in interest to take any action to impair, interfere with, or otherwise adversely impact, (i) the liens and security interests granted to the CLMG Secured Parties or (ii) the CLMG Collateral.

36. *No Impairment of GACP Collateral*. Unless otherwise provided in this Interim Order, nothing shall authorize the Debtors, the Prepetition ABL Lenders, or any other party in interest to take any action to impair, interfere with, or otherwise adversely impact, (i) the liens and security interests granted to the GACP Secured Parties or (ii) the GACP Collateral.

37. *Binding Effect of Interim Order*. Subject to paragraph 25, immediately upon entry by this Court (notwithstanding any applicable law or rule to the contrary), the terms and provisions of this Interim Order, including all findings herein, shall be binding upon all parties in interest in these Chapter 11 Cases, including, without limitation, the Debtors, the Prepetition ABL Secured Parties, all other creditors of the Debtors, any Creditors' Committee, and each of their respective successors and assigns (including, without limitation, any trustee, examiner with expanded powers, responsible officer, estate administrator or representative, or similar person appointed in a case for any Debtor under any chapter of the Bankruptcy Code) and shall inure to the benefit of the Debtors, the GACP Secured Parties, CLMG Secured Parties, the Prepetition ABL Secured Parties, and their respective successors and assigns.

38. *Survival*. The provisions of this Interim Order and any actions taken pursuant hereto shall survive entry of any order (a) confirming any chapter 11 plan in any of these Chapter 11 Cases; (b) converting any of these cases to a case under chapter 7 of the Bankruptcy Code; (c) dismissing any of these cases or any Successor Case; or (d) pursuant to which this Court abstains from hearing any of the cases or any Successor Case. Notwithstanding the entry of any such order, the terms and provisions of this Interim Order, including the claims, liens, security interests and other protections granted to the Prepetition ABL Secured Parties pursuant to this Interim Order, shall continue in these cases, in any Successor Case, or following dismissal of these cases or any Successor Case, and shall maintain their priority as provided by this Interim Order

and not be modified, altered or impaired in any way, whether by act or omission, until all of the Prepetition ABL Obligations and Adequate Protection Obligations have been Paid in Full, notwithstanding the occurrence of a Termination Event or any earlier termination of the Debtors' authorization to use the Prepetition ABL Collateral, including Cash Collateral.

39. *Limitation of Liability*. Subject to entry of the Final Order, and solely in the Prepetition ABL Secured Parties' capacity as a lender under the Prepetition ABL Loan Documents, in determining to permit the use of Cash Collateral, making and administering the loans and financial accommodations extended under the Prepetition ABL Loan Documents, extending other financial accommodations to the Debtors under this Interim Order and the Prepetition ABL Loan Documents, or in exercising any rights or remedies as and when permitted pursuant to this Interim Order or the Prepetition ABL Loan Documents, as applicable, the Prepetition ABL Secured Parties (in their capacity as such) or any successor of any of the foregoing shall not (a) be deemed to be in "control" of the operations of the Debtors or any of their affiliates; (b) owe any fiduciary duty to the Debtors, their respective creditors, shareholders or estates; and (c) be deemed to be acting as a "Responsible Person" or "Owner" or "Operator" with respect to the operation or management of the Debtors or any of their affiliates (as such terms or similar terms are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601, *et seq*., as amended, or any similar federal or state statute). Furthermore, nothing in this Interim Order or the Prepetition ABL Loan Documents or any other documents related thereto shall in any way be construed or interpreted to impose or allow the imposition upon the Prepetition ABL Secured Parties, or any successor of any of the foregoing, of any liability for any claims arising from the prepetition or postpetition activities of the Debtors or any of their subsidiaries affiliates in the operation of their businesses or in connection with their restructuring efforts.

40. *No Waiver*. Other than as provided in this Interim Order, nothing in this Interim Order shall be construed in any way as a waiver or relinquishment of any rights that the Debtors or the Prepetition ABL Secured Parties may have to bring or be heard on any matter brought before this Court.

41. *Effectiveness*. This Interim Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable, *nunc pro tunc* to the Petition Date, immediately upon entry hereof. Notwithstanding any Bankruptcy Rule, any Bankruptcy Local Rule, any Federal Rule of Civil Procedure, or other applicable law, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

42. *Proofs of Claim*. Neither the Prepetition ABL Agent, the Prepetition ABL Lenders, the CLMG Secured Parties, nor the CLMG Secured Parties, shall be required to file proofs of claim in any of the Debtors' Chapter 11 Cases or a Successor Case for any claim allowed herein. The Debtors' Stipulations shall be deemed to constitute a timely filed proof of claim for the Prepetition ABL Agent and the Prepetition ABL Lenders, the CLMG Secured Parties, the GACP Secured Parties upon approval of this Interim Order, and the Prepetition ABL Agent, the Prepetition ABL Lenders, the CLMG Secured Parties, and the GACP Secured Parties shall be treated under section 502(a) of the Bankruptcy Code as if they filed a proof of claim. Notwithstanding any order entered by the Court in relation to the establishment of a bar date in any of the Debtors' Chapter 11 Cases or a Successor Case to the contrary, the Prepetition ABL Agent, the Prepetition ABL Lenders, the CLMG Secured Parties, and the GACP Secured Parties are hereby authorized and entitled, in their sole discretion, but not required, to file (and amend and/or supplement, as they see fit) a proof of

claim and/or aggregate proofs of claim in each of these Chapter 11 Cases or a Successor Case for any claim allowed herein.

43. *No Third Party Rights*. Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any party, creditor, equity holder, other entity or any direct, indirect or incidental beneficiary other than (a) the Prepetition ABL Secured Parties and their respective Representatives, (b) the Debtors, (c) the CLMG Secured Parties and their Representatives, (d) the GACP Secured Parties and their Representatives, and (e) the respective successors and assigns of each of the foregoing.

44. *Headings*. Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Interim Order.

45. *Rights Reserved.* Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly (a) the Prepetition ABL Secured Parties' rights to pursue any and all rights and remedies under the Bankruptcy Code, the Prepetition ABL Loan Documents or any other applicable agreement or law, or seek any other or supplemental relief in respect of the Debtors, including the right to seek new, different or additional adequate protection, as applicable, or the Debtors' or any other party in interest's rights to oppose such relief, or (b) any of the rights and remedies of the Debtors, the Prepetition ABL Secured Parties, or any other party in interest under the Prepetition ABL Loan Documents or other applicable agreement, the Bankruptcy Code or applicable nonbankruptcy law.

46. *CLMG Rights Reserved.* Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly (a) the CLMG Secured Parties' rights to pursue any and all rights and remedies under the Bankruptcy Code, the CLMG Term Loan Agreement or any other applicable agreement or law,

or seek any other or supplemental relief in respect of the Debtors, including the right to seek new, different or additional adequate protection, as applicable, or the Debtors' or any other party in interest's rights to oppose such relief, or (b) any of the rights and remedies of the Debtors, the CLMG Secured Parties, or any other party in interest under the CLMG Term Loan Agreement or other applicable agreement, the Bankruptcy Code or applicable nonbankruptcy law.

47. *GACP Rights Reserved*. Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly (a) the GACP Secured Parties' rights to pursue any and all rights and remedies under the Bankruptcy Code, the GACP Term Loan Agreement or any other applicable agreement or law, or seek any other or supplemental relief in respect of the Debtors, including the right to seek new, different or additional adequate protection, as applicable, or the Debtors' or any other party in interest's rights to oppose such relief, or (b) any of the rights and remedies of the Debtors, the GACP Secured Parties, or any other party in interest under the GACP Term Loan Agreement or other applicable agreement, the Bankruptcy Code or applicable nonbankruptcy law. Furthermore, notwithstanding anything herein to the contrary, nothing contained in this Interim Order shall constitute nor be construed as the GACP Secured Parties' consent to, nor this Court's approval of, any surcharge of the GACP Collateral or the Debtors' sale of any of the GACP Collateral or the Debtors' use of the proceeds thereof.

48. *Creditors' Committee Rights Reserved*. Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly (a) the Creditors' Committee's rights to pursue any and all rights and remedies under the Bankruptcy Code or any other applicable law, or seek any other or supplemental relief in respect of the Debtors, as applicable, or the Debtors' or any other party in

interest's rights to oppose such relief, or (b) any of the rights and remedies of the Debtors, the Creditors' Committee, or any other party in interest under the Bankruptcy Code or applicable nonbankruptcy law.

49. *Bankruptcy Rules*. The requirements of Bankruptcy Rules 4001, 6003, and 6004, in each case to the extent applicable, are satisfied by the contents of the Motion.

50. *Necessary Action*. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Interim Order.

51. *Retention of Jurisdiction*. The Court shall retain jurisdiction to enforce the provisions of this Interim Order, and this Court shall retain jurisdiction over all matters pertaining to the implementation, interpretation and enforcement of this Interim Order, including following confirmation and consummation of any chapter 11 plan for any one or more of the Debtors.

52. *Interpretation.* To the extent of any inconsistency between the Motion, the terms of the First Interim Order, the terms of the First Supplemental Interim Order, and the terms of this Interim Order, the terms of this Interim Order shall control.

53. *Tax Liens.* Notwithstanding any other provisions included in the Interim Order, or any agreements approved hereby, any statutory liens (collectively, the "Tax Liens"), of Brazos County, Medina County, and Erath County shall not be primed by nor made subordinate to any liens granted to any party hereby to the extent such Tax Liens are valid, senior, perfected, and unavoidable, and all parties' rights to object to the priority, validity, amount, and extent of the claims and liens asserted by Brazos County are fully preserved. From the proceeds of the sale of any of the Debtors' assets located in the state of Texas, the amount of $38,219.64 shall be set aside by the Debtors in a segregated account as adequate protection for the asserted secured claims of Brazos County prior to the distribution of any proceeds to any other creditor. The liens of Brazos

County, Medina County, and Erath County, if any, shall attach to these proceeds to the same extent and with the same priority as the liens they now hold against the property of the Debtors. These funds shall be on the order of adequate protection and shall constitute neither the allowance of the claims of Brazos County, Medina County, and Erath County, nor a cap on the amounts they may be entitled to receive.

54. Notwithstanding anything to the contrary contained in this Interim Order, amounts payable to employees, materialmen, suppliers, workers, and others for postpetition goods and services on work-in-process shall be paid out of the proceeds of postpetition earned receivables prior to the rights of any other party.

55. *Final Hearing*. The Final Hearing on the Motion shall be held on August 26, 2020 at 3:30 p.m., prevailing Central Time. Any objections or responses to entry of a Final Order on the Motion shall be filed no later than 2:00 p.m., prevailing Central Time, on August 24, 2020 (the "Objection Deadline").

Signed: August 03, 2020

Marvin Isgur
United States Bankruptcy Judge

Exhibit 1

Budget

BJS - Cash Collateral Budget
Prepared 7/29/2020
($ in millions)

Week Ending:	25-Jul	1-Aug	8-Aug	15-Aug	22-Aug	29-Aug	5-Sep	12-Sep	19-Sep	26-Sep	3-Oct	Total
Opening Cash	**$ 56.1**	**$ 61.8**	**$ 44.3**	**$ 42.1**	**$ 37.2**	**$ 32.6**	**$ 115.9**	**$ 116.3**	**$ 121.0**	**$ 124.2**	**$ 121.6**	
Receipts:												
Gross A/R Collections	*$ 7.0*	*$ 2.6*	*$ 11.1*	*$ 11.1*	*$ 2.8*	*$ 1.9*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 10.9*	*$ 47.4*
Discounts/Settlement Payments	*-*	*(0.8)*	*(3.3)*	*(3.3)*	*(0.8)*	*(0.6)*	*-*	*-*	*-*	*-*	*-*	*(8.8)*
Net Collections	7.0	1.8	7.8	7.8	2.0	1.3	-	-	-	-	10.9	38.5
Proceeds from Sale of Inventory	-	-	-	-	-	-	-	-	-	-	14.6	14.6
Proceeds from Sale of Equipment - Tractors	-	-	-	-	-	25.0	-	-	-	-	-	25.0
Proceeds from Sale of Cement	-	-	-	-	-	30.0	-	-	-	-	-	30.0
Proceeds from Sale of R/E	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale to CSL - Equipment	-	-	-	-	-	18.0	-	-	-	-	-	18.0
Proceeds from Sale to CSL - Other	-	-	-	-	-	12.0	-	-	-	-	-	12.0
Proceeds from WIP	-	-	-	-	14.1	4.5	2.8	-	5.6	-	-	26.9
Other Proceeds	3.3	-	-	-	-	-	-	-	-	-	-	3.3
Total Receipts	**$ 10.3**	**$ 1.8**	**$ 7.8**	**$ 7.8**	**$ 16.0**	**$ 90.8**	**$ 2.8**	**$ -**	**$ 5.6**	**$ -**	**$ 25.5**	**$ 168.4**
Disbursements:												
Employee & Executive Compensation (Including Payroll Tax)	$ (0.1)	$ (1.3)	$ -	$ (0.7)	$ -	$ (0.7)	$ -	$ (0.3)	$ -	$ (0.3)	$ (0.2)	$ (3.6)
Pre-Petition Employee Compensation, T&E, 401k Remittance	-	(1.2)	-	-	-	-	-	-	-	-	-	(1.2)
Pre Petition Payroll Tax and Payment Card Expense	-	(0.4)	-	-	-	-	-	-	-	-	(1.8)	(2.2)
PTO	-	(0.2)	-	(0.0)	-	-	-	-	(0.2)	-	-	(0.4)
Trailing Employee Health Claims	(0.5)	(0.5)	(0.5)	(0.5)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.2)	(0.7)	(4.4)
Required Canadian Termination Benefits	-	(0.5)	-	-	-	-	-	-	-	-	-	(0.5)
Sub-Total - Employee Related	**$ (0.6)**	**$ (4.1)**	**$ (0.5)**	**$ (1.2)**	**$ (0.3)**	**$ (1.0)**	**$ (0.3)**	**$ (0.6)**	**$ (0.5)**	**$ (0.5)**	**$ (2.7)**	**(12.3)**
Accounting/Tax/Other Professionals	-	(0.1)	-	-	-	(0.1)	-	-	-	-	-	(0.2)
Facilities	-	(0.5)	(0.5)	-	(0.5)	-	-	(0.5)	-	(0.5)	(0.3)	(2.8)
Security	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.1)
Information Technology	-	-	(0.8)	-	-	-	(0.8)	-	-	-	-	(1.5)
Insurance (Other Excl. Property Insurance)	(0.6)	-	-	-	-	(0.6)	-	-	-	(0.3)	-	(1.4)
Sub-Total - Expenses	**$ (0.7)**	**$ (0.7)**	**$ (1.4)**	**$ (0.1)**	**$ (0.6)**	**$ (0.8)**	**$ (0.8)**	**$ (0.6)**	**$ (0.1)**	**$ (0.9)**	**$ (0.4)**	**(7.0)**
Eq. Demobilization/Removal of Hazardous Materials	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-	-
Cementing completion and mobilization	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Stacking Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total - Equipment	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**-**
Fracturing - New Operations (up to 4 Fleets from 8/6 - 9/12)	-	-	(0.1)	(0.8)	(2.4)	(2.9)	-	7.1	-	-	-	0.9
WIP - Fracturing	(1.9)	(2.6)	(2.6)	(2.5)	(10.3)	(0.9)	-	-	-	-	-	(20.7)
Sub-Total - WIP	**$ (1.9)**	**$ (2.6)**	**$ (2.7)**	**$ (3.2)**	**$ (12.7)**	**$ (3.8)**	**$ -**	**$ 7.1**	**$ -**	**$ -**	**$ -**	**(19.8)**
ABL Paydown	$ -	$ (5.0)	$ (5.0)	$ (5.0)	$ (5.0)	$ -	$ -	$ -	$ -	$ -	$ -	(20.0)
Professionals	(0.8)	(0.7)	(0.9)	(0.8)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(1.3)	(8.5)
US Trustee Fees	-	-	-	-	-	-	-	-	-	-	(0.5)	(0.5)
Interest Payments	(0.1)	(0.1)	-	(1.0)	-	-	-	-	-	-	-	(1.1)
503(b)(9) - Claims	-	-	-	-	-	-	-	-	-	-	(7.5)	(7.5)
Utility Deposit	-	(0.4)	-	-	-	-	-	-	-	-	-	(0.4)
Sales and Use Tax/Other Taxes	-	(0.2)	-	-	(0.5)	-	-	-	(0.5)	-	-	(1.2)
Wind Down Contingency	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(3.2)
Sub-Total - Chapter 11	**$ (1.0)**	**$ (6.4)**	**$ (5.9)**	**$ (6.9)**	**$ (6.2)**	**$ (0.7)**	**$ (1.2)**	**$ (1.2)**	**$ (1.7)**	**$ (1.2)**	**$ (9.9)**	**(42.4)**
Required Titan Payments	$ -	$ (2.6)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2.6	-
Total Disbursements	**$ (4.3)**	**$ (16.4)**	**$ (10.5)**	**$ (11.4)**	**$ (19.8)**	**$ (6.2)**	**$ (2.4)**	**$ 4.7**	**$ (2.3)**	**$ (2.6)**	**$ (10.3)**	**(81.6)**
Cement Going Concern Net Cash Flow	(0.3)	(2.9)	0.5	(1.3)	(0.8)	(1.3)	-	-	-	-	-	(6.1)
Net Cash Flow	**$ 5.7**	**$ (17.5)**	**$ (2.2)**	**$ (4.9)**	**$ (4.6)**	**$ 83.3**	**$ 0.4**	**$ 4.7**	**$ 3.2**	**$ (2.6)**	**$ 15.2**	**$ 80.7**
Ending Cash	**$ 61.8**	**$ 44.3**	**$ 42.1**	**$ 37.2**	**$ 32.6**	**$ 115.9**	**$ 116.3**	**$ 121.0**	**$ 124.2**	**$ 121.6**	**$ 136.8**	**$ 136.8**

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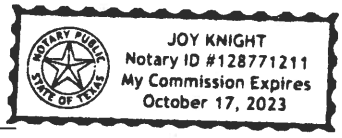
EXHIBIT 7

THIS IS **EXHIBIT "7"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

ENTERED
07/31/2020

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

In re:	)	Chapter 11
BJ SERVICES, LLC., *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 9**

SECOND INTERIM ORDER AUTHORIZING THE DEBTORS TO CONTINUE TO (I) OPERATE THEIR CASH MANAGEMENT SYSTEM AND MAINTAIN EXISTING BANK ACCOUNTS AND (II) PERFORM LIMITED INTERCOMPANY TRANSACTIONS

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order") authorizing the Debtors to: (a) continue to operate their Cash Management System and maintain their existing bank accounts, including honoring certain prepetition obligations related thereto, and (b) continue to perform intercompany transactions consistent with historical practice, all 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 this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED ON AN INTERIM BASIS THAT:

1. The final hearing (the "Final Hearing") on the Motion shall be held on August 26, 2020, at 3:30 p.m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 2:00 p.m., prevailing Central Time, on August 24, 2020. In the event no objections to entry of a final order on the Motion are timely received, the Court may enter such final order without need for the Final Hearing.

2. The Debtors are authorized to: (a) continue operating the Cash Management System, as described in the Motion and substantially in the form attached hereto as **Exhibit A**; (b) honor their prepetition obligations related thereto, including the Bank Fees; (c) continue to perform Intercompany Transactions to the limited extent set forth herein; (d) maintain existing Business Forms; and (e) maintain the Investment Practices consistent with historical practice.

3. The Debtors are authorized, but not directed, to: (a) continue to use, with the same account numbers, the Bank Accounts in existence as of the Petition Date, including those accounts identified on **Exhibit B** attached hereto; (b) use, in their present form, all preprinted correspondence and Business Forms (including letterhead); *provided* that once the Debtors' existing check stock has been exhausted, the Debtors shall include, or direct others to include, the designation "Debtor-in-Possession" and the corresponding bankruptcy case number on all checks

as soon as it is reasonably practicable to do so; *provided*, *further*, that with respect to any Business Forms that exist or are generated electronically, the Debtors shall ensure that such electronic Business Forms are clearly labeled "Debtor In Possession" within 10 business days; (c) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (d) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, and other debits; (e) pay the Bank Fees, including any prepetition amounts, and any ordinary course Bank Fees incurred in connection with the Bank Accounts; and (f) to otherwise perform their obligations under the documents governing the Bank Accounts.

4. To the extent any of the Debtors' Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code or any of the U.S. Trustee's requirements or guidelines, the Debtors shall have until September 17, 2020, without prejudice to seeking an additional extension, to come into compliance with section 345(b) of the Bankruptcy Code and any of the U.S. Trustee's requirements or guidelines; *provided* that nothing herein shall prevent the Debtors or the U.S. Trustee from seeking further relief from the Court to the extent that an agreement cannot be reached. The Debtors may obtain a further extension of the 45-day period referenced above by written stipulation with the U.S. Trustee and filing such stipulation on the Court's docket without the need for further Court order.

5. Except as set forth herein, the Cash Management Banks are authorized to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course, and to receive, process, honor, and pay, to the extent of available funds, any and all checks, drafts, wires, credit card payments, and ACH transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be. The Debtors and the Cash Management Banks may, without

further order of this Court, agree to and implement changes to the Cash Management System and procedures related thereto in the ordinary course of business, including the closing of Bank Accounts, the opening of new bank accounts, and entering into any ancillary agreements, related to the foregoing, to the extent such actions are reasonably acceptable to the administrative agent under the Debtors' asset-based revolving credit facility; *provided* the Debtors provide reasonable advance notice to the U.S. Trustee and any statutory committee appointed in these chapter 11 cases of any material changes to the Cash Management System and procedures; *provided, however*, that (a) by submitting any payment request to the Cash Management Banks, the Debtors shall ensure that such payment request is consistent with this Order and other orders of the Court and, (b) as needed and to the extent reasonably possible, the Debtors and Cash Management Banks will cooperate to ensure that all payments honored by the Cash Management Banks are consistent with the Debtors' direction.

6. The relief granted in this Interim Order is extended to any new bank account opened by the Debtors after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened, which bank shall be deemed a Cash Management Bank; provided that any such new account is with one of the Debtors' existing Cash Management Banks or with a bank that is: (a) insured by the FDIC or the Federal Savings and Loan Insurance Corporation; (b) designated as an authorized depository pursuant to the U.S. Trustee's Operating Guidelines; (c) designated a "Debtor in Possession" account by the relevant bank; and (d) with a bank that agrees to be bound by the terms of this Interim Order.

7. Each of the Cash Management Banks is authorized to debit the Debtors' Bank Accounts in the ordinary course of business without the need for further order of this Court for: (a) all checks drawn on the Debtors' Bank Accounts that are cashed at such Cash Management

Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (b) all checks or other items deposited in one of the Bank Accounts with such Cash Management Bank prior to the Petition Date that have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to the Petition Date; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Cash Management Bank as service charges for the maintenance of the Cash Management System.

8. Those certain deposit agreements existing between the Debtors and the Cash Management Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Cash Management Banks and all of the provisions of such agreements, including the termination, fee provisions, rights, benefits, offset rights and remedies afforded under such agreements shall remain in full force and effect absent further order of the Court or, with respect to any such agreement with any Cash Management Bank (including, for the avoidance of doubt, any rights of a Cash Management Bank to use funds from the Bank Accounts to remedy any overdraft of another Bank Account to the extent permitted under the applicable deposit agreement and that the Bank Accounts are held by the same Debtors), unless the Debtors and such Cash Management Bank agree otherwise, and any other legal rights and remedies afforded to the Cash Management Banks under applicable law shall be preserved, subject to applicable bankruptcy law.

9. The Debtors are authorized to promptly place stop payments on any unauthorized prepetition checks or ACH payments that should not be honored by a Cash Management Bank. Any Cash Management Bank that is provided with notice of this Interim Order shall not honor or pay any bank payments drawn on any listed Bank Account or otherwise issued before the Petition

Date for which the Debtors specifically issue a stop payment order in accordance with the documents governing such Bank Accounts.

10. Subject to the terms set forth herein, any bank, including a Cash Management Bank, may rely upon the representations of the Debtors with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to any order of this Court, and no bank that honors a prepetition check or other item drawn on any account that is the subject of this Interim Order at the direction of the Debtors or in a good-faith belief that this Court has authorized such prepetition check or item to be honored shall be deemed to be, nor shall be liable to the Debtors or their estates on account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Interim Order.

11. Notwithstanding anything to the contrary in any other order of this Court, any banks, including the Cash Management Banks, are: (a) authorized to honor the Debtors' directions with respect to the opening and closing of any Bank Account and accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions; (b) authorized to accept and honor all representations from the Debtors as to which checks, drafts, wires, or ACH transfers should be honored or dishonored, consistent with any order of this Court and governing law, whether such checks, drafts, wires, or ACH transfers are dated prior to, on, or subsequent to the Petition Date; and (c) have no duty to independently inquire as to whether such payments are authorized by an order of this Court; *provided* that the Cash Management Banks shall not have any liability to any party for relying on such representations.

12. The Debtors are authorized to coordinate with the Cash Management Banks to implement reasonable handling procedures designed to effectuate the terms of this Interim Order.

No Cash Management Bank that implements such handling procedures and then honors a prepetition check or other item drawn on any Bank Account that is the subject of this Interim Order either in good faith belief that the Court has authorized such prepetition check or item to be honored or as a result of an innocent mistake made despite implementation of such handling procedures, shall be deemed to be liable to the Debtors or their estates otherwise in violation of this Interim Order.

13. The Debtors are authorized to continue Intercompany Transactions with any other Debtor for the limited purpose of honoring payroll and payroll-related expenses and making any other payments that are contemplated by any order of this Court solely to the extent that: (a) such Intercompany Transaction is the only reasonable commercial way for the Debtors to timely satisfy such obligation; (b) such Intercompany Transaction is an ordinary course transaction; and (c) the Intercompany Transaction does not result in a postpetition intercompany claim for which there are not presently adequate funds to pay the postpetition intercompany claim. The Debtors shall keep a record of all Intercompany Transactions and make such record available upon reasonable request of the Court, the administrative agent under the Debtors' asset-based revolving credit facility, the U.S. Trustee, and any statutory committee appointed in these chapter 11 cases. All rights of all parties related to the Intercompany Transactions are reserved. This Order does not authorize the postpetition payment or satisfaction of a prepetition intercompany claim.

14. Nothing contained in the Motion or this Interim Order shall be construed to alter or impair any security interest or perfection thereof, in favor of any person or entity that existed as of the Petition Date or that arises after the Petition Date.

15. Notwithstanding anything else contained herein, (a) any relief granted herein, including any payment to be made or authorization contained hereunder, shall be subject in all

respects to the terms and conditions of, including all requirements imposed upon the Debtors under, any interim or final order of the Court in these chapter 11 cases authorizing the use of cash collateral (as may be modified, amended, or supplemented, the "Cash Collateral Orders") (including, without limitation, the budget required in connection therewith) and the Prepetition ABL Loan Documents (as defined in the Cash Collateral Orders) approved therein and (b) to the extent there is any inconsistency between the terms and conditions of such Cash Collateral Orders or Prepetition ABL Loan Documents and any action taken or proposed to be taken hereunder, the terms and conditions of such Cash Collateral Orders shall govern.

16. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are

valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

17. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved in this Interim Order.

18. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or funds transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to any prepetition amounts that are authorized to be paid on account of the prepetition obligations pursuant to this Interim Order.

19. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

20. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Bankruptcy Rules and the Bankruptcy Local Rules are satisfied by such notice.

21. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

22. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

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

Signed: July 31, 2020

Marvin Isgur
United States Bankruptcy Judge

Exhibit A

Cash Management System Schematic

Exhibit A

Cash Management System Schematic

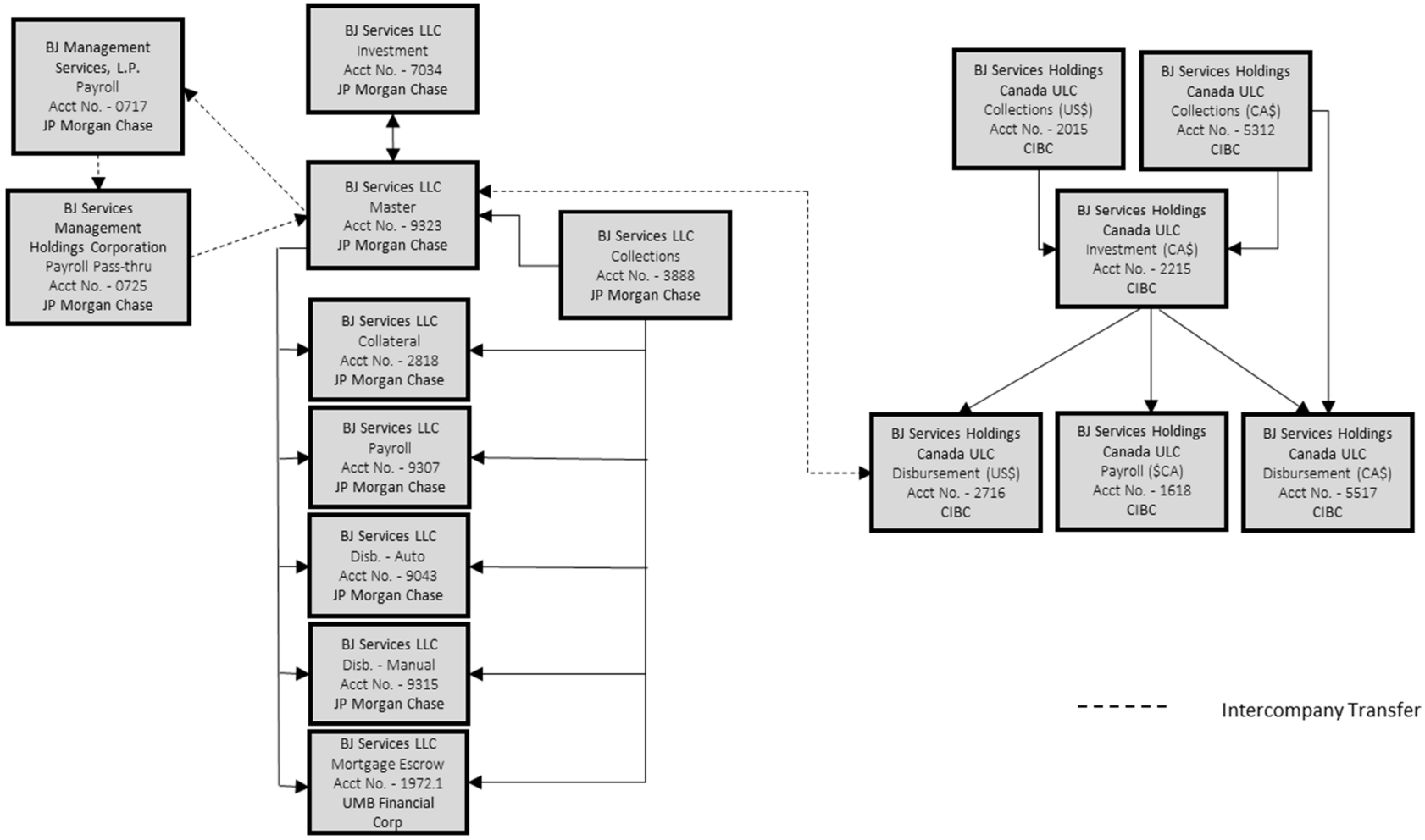


Exhibit B

Bank Accounts

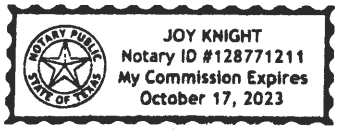
Entity	Bank	Account Type	Location
BJ Services, LLC	JPMorgan Chase Bank	Disbursements (Automated) Account No.: ****9043	United States
BJ Services, LLC	JPMorgan Chase Bank	Collections Account No.: ****3888	United States
BJ Services, LLC	JPMorgan Chase Bank	Payroll Account No.: ****9307	United States
BJ Services, LLC	JPMorgan Chase Bank	Disbursements (Manual) Account No.: ****9315	United States
BJ Services, LLC	JPMorgan Chase Bank	Master Account[1] Account No.: ****9323	United States
BJ Services, LLC	JPMorgan Chase Bank	Investment Account Account No.: ****7034	United States
BJ Services, LLC	JPMorgan Chase Bank	Corporate Card Collateral Account Account No.: ****2818	United States
BJ Services, LLC	UMB Financial Corporation	Escrow Acct for Mortgage Loan Account No.: ****1972.1	United States
BJ Services Management Holdings Corporation	JPMorgan Chase Bank	Payroll Pass-Thru Account No.: ****0725	United States
BJ Management Services, L.P.	JPMorgan Chase Bank	Payroll Account No.: ****0717	United States
BJ Services Holdings Canada, ULC	Canadian Imperial Bank of Commerce	Collections Account No.: ****5312	Canada
BJ Services Holdings Canada, ULC	Canadian Imperial Bank of Commerce	Disbursement	Canada

[1] See investment account description for master account funding excesses/needs.

Entity	Bank	Account Type	Location
		Account No.: ****5517	
BJ Services Holdings Canada, ULC	Canadian Imperial Bank of Commerce	Investment Account Account No.: ****2215	Canada
BJ Services Holdings Canada, ULC	Canadian Imperial Bank of Commerce	Payroll Account No.: ****1618	Canada
BJ Services Holdings Canada, ULC	Canadian Imperial Bank of Commerce	Collections (US) Account No.: ****2015	Canada
BJ Services Holdings Canada, ULC	Canadian Imperial Bank of Commerce	Disbursement (US) Account No.: ****2716	Canada

EXHIBIT 8

THIS IS **EXHIBIT "8"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

ENTERED
07/29/2020

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 38**

SECOND INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO PAY CERTAIN PREPETITION CLAIMS ON ACCOUNT OF (A) CRITICAL VENDOR CLAIMS, (B) LIEN CLAIMS, AND (C) 503(b)(9) CLAIMS, (II) CONFIRMING ADMINISTRATIVE EXPENSE PRIORITY OF OUTSTANDING ORDERS, AND (III) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order"), (a) authorizing, but not directing, the Debtors to pay certain prepetition (i) Critical Vendor Claims, (ii) Mineral Contractor Claims, (iii) Shipping Claims, and (iv) 503(b)(9) Claims; (b) confirming the administrative expense priority status of Outstanding Orders and authorizing, but not directing, payment of such obligations in the ordinary course of business; and (c) granting related relief, all 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 this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); 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

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

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this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED ON AN INTERIM BASIS THAT:

1. The final hearing (the "Final Hearing") on the Motion shall be held on August 26, 2020 at 3:30 p.m. prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 2:00 p.m., prevailing Central Time, on August 24, 2020. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

2. The Debtors are authorized, but not directed, to honor, pay, or otherwise satisfy prepetition amounts on account of the Specified Trade Claims, in the estimated amounts and categories as described in the Motion as necessary to avoid immediate and irreparable harm, subject to the terms of the Cash Collateral Orders (as defined herein), including the Budget (as defined in the Cash Collateral Orders). In the event Debtors will exceed the aggregate amounts in any category as detailed in the Motion during the interim period, Debtors shall file a notice with the Court describing the category and overage amount; *provided* that, notwithstanding anything to the contrary in this Interim Order, the Debtors are not authorized to pay any amounts under this

Interim Order to any Specified Trade Claimant that is not expected to provide goods and services to the Debtors on or prior to the Final Hearing.

3. The form of Trade Agreement, substantially in the form attached hereto as **Exhibit A**, is approved in its entirety, and the Debtors are authorized, but not directed, to negotiate, modify, or amend the Trade Agreement in their reasonable business judgment.

4. The Debtors must condition payment of the Specified Trade Claims upon the execution of a Trade Agreement.

5. The Debtors must condition the completion of any Ongoing Project upon the execution of a Customer Agreement.

6. The Debtors must require that, as a condition to receiving any payment under this Interim Order, the payee will maintain or apply, as applicable, terms during the pendency of these chapter 11 cases that are at least as favorable as those terms existing as of the Petition Date or otherwise satisfactory to the Debtors (the "Customary Trade Terms").

7. If any party accepts payment hereunder and does not continue supplying goods or services to the Debtors in accordance with Customary Trade Terms, then: (a) any payment on account of a prepetition claim received by such party shall be deemed, in the Debtors' discretion, an improper postpetition transfer and, therefore, immediately recoverable by the Debtors in cash upon written request by the Debtors; (b) upon recovery by the Debtors, any prepetition claim of such party shall be reinstated as if the payment had not been made; and (c) if there exists an outstanding postpetition balance due from the Debtors to such party, the Debtors may elect to recharacterize and apply any payment made pursuant to the relief requested by the Motion to such outstanding postpetition balance and such supplier or vendor will be required to repay to the Debtors such paid amounts that exceed the postpetition obligations then outstanding without the

right of any setoffs, claims, provisions for payment of any claims, or otherwise. The Debtors shall provide a copy of this Interim Order to the applicable party prior to such party's acceptance of any payment hereunder.

8. The Debtors shall maintain a schedule/matrix of amounts paid pursuant to this Order including the following information: (a) the name of each Specified Trade Claimant paid on account of the Specified Trade Claims, (b) the amount and date paid to each Specified Trade Claimant, (c) the goods or services provided by such Specified Trade Claimant as characterized in the motion, and (d) the Debtor or Debtors that made the payment. The Debtors shall provide a copy of such matrix/schedule to counsel to the administrative agent under the Debtors' asset-based revolving credit facility, the U.S. Trustee, and any statutory committee appointed in these chapter 11 cases every 30 days beginning upon entry of this Order.

9. Nothing herein shall impair or prejudice the rights of the U.S. Trustee and any statutory committee appointed in these chapter 11 cases, which are expressly reserved, to object to any payment made pursuant to this order to an insider (as such term is defined in section 101(31) of the Bankruptcy Code), or an affiliate of an insider, of the Debtors. To the extent the Debtors intend to make a payment to an insider or an affiliate of an insider of the Debtors, subject to prior written approval of the administrative agent under the Debtors' asset-based revolving credit facility, the Debtors shall, to the extent reasonably practicable, provide three (3) business days' advance notice to, and opportunity to object by the U.S. Trustee and any statutory committee appointed in these chapter 11 cases; *provided* that if any party objects to the payment, the Debtors shall not make such payment without further order of the Court.

10. Nothing herein shall impair or prejudice the Debtors' ability to contest, in their sole discretion, the extent, perfection, priority, validity, or amounts of any claims held by any Specified

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Trade Claimant. The Debtors do not concede that any claims satisfied pursuant to this Interim Order are valid, and the Debtors expressly reserve all rights to contest the extent, validity, or perfection or seek the avoidance of all such liens or the priority of such claims.

11. Any party that accepts payment from the Debtors on account of a Specified Trade Claim shall be deemed to have agreed to the terms and provisions of this Interim Order. Notwithstanding anything to the contrary herein, prior to making any payment pursuant to this Interim Order to a holder of a Specified Trade Claim, the Debtors shall provide such holder with a copy of this Interim Order (unless previously provided to such Specified Trade Claimant).

12. All undisputed obligations related to the Outstanding Orders are granted administrative expense priority in accordance with section 503(b)(1)(A) of the Bankruptcy Code.

13. The Debtors are authorized, but not directed, to pay all undisputed amounts related to the Outstanding Orders in the ordinary course of business consistent with the parties' customary practices in effect prior to the Petition Date.

14. Notwithstanding anything else contained herein, (a) any relief granted herein, including any payment to be made or authorization contained hereunder, shall be subject in all respects to the terms and conditions of, including all requirements imposed upon the Debtors under, any interim or final order of the Court in these chapter 11 cases authorizing the use of cash collateral (as may be modified, amended, or supplemented, the "Cash Collateral Orders") (including, without limitation, the budget required in connection therewith) and the Prepetition ABL Loan Documents (as defined in the Cash Collateral Orders) approved therein and (b) to the extent there is any inconsistency between the terms and conditions of such Cash Collateral Orders or Prepetition ABL Loan Documents and any action taken or proposed to be taken hereunder, the terms and conditions of such Cash Collateral Orders shall govern.

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15. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

16. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

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17. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Specified Trade Claims.

18. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

19. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Bankruptcy Rules and the Bankruptcy Local Rules are satisfied by such notice.

20. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

21. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

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

Signed: July 29, 2020

Marvin Isgur
United States Bankruptcy Judge

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Exhibit A

Form of Trade Agreement

THIS TRADE AGREEMENT IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF A CHAPTER 11 PLAN. ACCEPTANCE OR REJECTION OF A CHAPTER 11 PLAN MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT FOR ANY SUCH CHAPTER 11 PLAN. THE INFORMATION IN THIS TRADE AGREEMENT STATEMENT IS SUBJECT TO CHANGE. THIS TRADE AGREEMENT STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

TRADE AGREEMENT

BJ Services, LLC (the "Company"), on the one hand, and **[VENDOR]** ("Vendor"), on the other hand, hereby enter into the following trade agreement (this "Trade Agreement") dated as of this **[DATE]**.

Recitals

WHEREAS on July 20, 2020 (the "Petition Date"), BJ Services, LLC and its affiliates and related entities (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Texas (the "Court").

WHEREAS on July [●], 2020, the Court entered its *Interim Order (I) Authorizing the Debtors to Pay Certain Prepetition Claims on Account of (A) Critical Vendors Claims, (B) Lien Claims, and (C) 503(b)(9) Claims, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief* (the "Specified Trade Claims Order") [Docket No. [●]] authorizing the Debtors on an interim basis, under certain conditions, to pay the prepetition claims of certain vendors, including Vendor, subject to the terms and conditions set forth therein.[1]

WHEREAS prior to the Petition Date, Vendor delivered goods to the Company, and the Company paid Vendor for such goods, according to Customary Trade Terms (as defined herein).

WHEREAS the Company intends to complete certain ongoing customer projects (the "Ongoing Projects") at open well site(s) (each an "Open Well Site").

WHEREAS the Company and Vendor (each a "Party," and collectively, the "Parties") agree to the following terms as a condition of payment on account of certain prepetition claims Vendor may hold against the Company.

Agreement

1. Recitals. The foregoing recitals are incorporated herein by reference as if set forth at length herein.

[1] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Specified Trade Claims Order.

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2. Vendor Payment. Vendor represents and agrees that, after due investigation, the sum of all amounts currently due and owing by the Company to Vendor is $[●] (the "Agreed Vendor Claim"). Following execution of this Trade Agreement, the Company shall, in full and final satisfaction of the Agreed Vendor Claim:

a. Pay Vendor $**[●]** in full satisfaction of its Agreed Vendor Claim (the "Vendor Payment") (without interest, penalties, or other charges), as such invoices become due and payable; or

b. Pay the Vendor Payment (with interest, penalties, or other charges) on the date which is the later of 30 days after the effective date of a chapter 11 plan and when the invoices become payable in ordinary course.

3. Agreement to Supply.

a. Vendor shall supply goods to the Company for the duration of the Debtors' chapter 11 cases based on the following "Customary Trade Terms": the trade terms at least as favorable to the Company as those practices and programs (including credit limits, pricing, cash discounts, timing of payments, allowances, product mix, availability, and other programs) in place in the 120 days prior to the Petition Date.

b. Vendor shall continue all shipments of goods in the ordinary course and shall fill orders for goods requested by the Company in the ordinary course of business for the duration of the Debtors' chapter 11 cases pursuant to the Customary Trade Terms.

c. The Customary Trade Terms may not be modified, adjusted, or reduced in a manner adverse to the Company except as agreed-to in writing by the Parties.

4. Other Matters.

a. Vendor agrees that it shall not require a lump-sum payment upon the effective date of a plan in the Company's chapter 11 cases on account of any outstanding administrative claims Vendor may assert arising from the delivery of postpetition goods or services, to the extent that payment of such claims is not yet due. Vendor agrees that such claims will be paid in the ordinary course of business after confirmation of a plan pursuant to the Customary Trade Terms then in effect. The Vendor Payment will be made concurrently with payment of other outstanding administrative clams as provided in a confirmed plan.

b. Vendor will not separately seek payment from the Company on account of any prepetition claim (including, without limitation, any reclamation claim or any claim pursuant to section 503(b)(9) of the Bankruptcy Code) outside the terms of this Trade Agreement or a plan confirmed in the Company's chapter 11 case.

c. Vendor will not file or otherwise assert against the Company, its assets, or any other person or entity, including the Company's customers, or any of their respective assets or property (real or personal), any lien, regardless of the statute or other legal authority upon which the lien is asserted, related in any way to any remaining prepetition amounts allegedly owed to Vendor by the Company arising from prepetition agreements or transactions. Furthermore, if

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Vendor has taken steps to file or assert such a lien prior to entering into this Trade Agreement, Vendor will promptly take all necessary actions to remove such liens.

5. Vendor Breach.

a. In the event that Vendor fails to satisfy its undisputed obligations arising under this Trade Agreement (a "Vendor Breach"), upon written notice to Vendor, Vendor shall promptly pay to the Company immediately available funds in an amount equal to, at the election of the Company, the Vendor Payment or any portion of the Vendor Payment which cannot be recovered by the Company from the postpetition receivables then owing to Vendor from the Company.

b. In the event that the Company recovers the Vendor Payment pursuant to Section 5(a) hereof or otherwise, the full Agreed Vendor Claim shall be reinstated as if the Vendor Payment had not been made.

c. Vendor agrees and acknowledges that irreparable damage would occur in the event of a Vendor Breach and remedies at law would not be adequate to compensate the Company. Accordingly, Vendor agrees that the Company shall have the right, in addition to any other rights and remedies existing in its favor, to an injunction or injunctions to prevent breaches of the provisions of this Trade Agreement and to enforce its rights and obligations hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive relief and/or other equitable relief. The right to equitable relief, including specific performance or injunctive relief, shall exist notwithstanding, and shall not be limited by, any other provision of this Trade Agreement. Vendor hereby waives any defense that a remedy at law is adequate and any requirement to post bond or other security in connection with actions instituted for injunctive relief, specific performance, or other equitable remedies.

6. Notice.

If to Vendor:

[▪]

and

[▪]

If to Company:

BJ Services, LLC
11211 Farm to Market 2920 Road
Tomball, Texas 77375
Attn: John R. Bakht
Email: generalcounsel@bjservices.com

and

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Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attn: Joshua A. Sussberg
Christopher T. Greco, P.C.
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
Email: joshua.sussberg@kirkland.com
cgreco@kirkland.com

and

300 North LaSalle, Chicago, Illinois 60654
Attn.: Samantha G. Lawrence
Joshua M. Altman
Telephone: (312) 862-2000
Facsimile: (312) 862-2200
E-mail: samantha.lawrence@kirland.com
josh.altman@kirland.com

7. Representations and Acknowledgements. The Parties agree, acknowledge and represent that:

a. the Parties have reviewed the terms and provisions of the Specified Trade Claims Order and this Trade Agreement and consent to be bound by such terms and that this Trade Agreement is expressly subject to the procedures approved pursuant to the Specified Trade Claims Order;

b. any payments made on account of the Agreed Vendor Claim shall be subject to the terms and conditions of the Specified Trade Claims Order;

c. if Vendor refuses to supply goods or services to the Company as provided herein or otherwise fails to perform any of its obligations hereunder, the Company may exercise all rights and remedies available under the Specified Trade Claims Order, the Bankruptcy Code, or applicable law; and

d. in the event of disagreement between the Parties regarding whether a breach has occurred, either Party may apply to the Court for a determination of their relative rights, in which event, no action may be taken by either Party, including, but not limited to, the discontinuing of shipment of goods from Vendor to the Company, until a ruling of the Court is obtained.

8. Confidentiality. Vendor agrees to hold in confidence and not disclose to any party: (a) this Trade Agreement; (b) any and all payments made by the Company pursuant to this Trade Agreement; (c) the terms of payment set forth herein; and (d) the Customary Trade Terms (collectively, the "Confidential Information"); *provided*, *that*, if any party seeks to compel Vendor's disclosure of any or all of the Confidential Information, through judicial action or

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otherwise, or Vendor intends to disclose any or all of the Confidential Information, Vendor shall immediately provide the Company with prompt written notice so that the Company may seek an injunction, protective order or any other available remedy to prevent such disclosure; *provided, further*, that if such remedy is not obtained, Vendor shall furnish only such information as Vendor is legally required to provide.

9. Miscellaneous.

a. The Parties hereby represent and warrant that: (i) they have full authority to execute this Trade Agreement on behalf of the respective Parties; (ii) the respective Parties have full knowledge of, and have consented to, this Trade Agreement; and (iii) they are fully authorized to bind that Party to all of the terms and conditions of this Trade Agreement.

b. This Trade Agreement sets forth the entire understanding of the Parties regarding the subject matter hereof and supersedes all prior oral or written agreements between them. This Trade Agreement may not be changed, modified, amended or supplemented, except in a writing signed by both Parties. Moreover, Vendor agrees to vote all claims now or hereafter beneficially owned by Vendor in favor of, and not take any direct or indirect action to oppose or impede confirmation of, any chapter 11 plan on a timely basis in accordance with the applicable procedures set forth in any related disclosure statement and accompanying solicitation materials, and timely return a duly-executed ballot to the Debtors in connection therewith, if such chapter 11 plan provides for a treatment of any Agreed Vendor Claim that is materially consistent with this Agreement.

c. Signatures by facsimile or electronic signatures shall count as original signatures for all purposes.

d. This Trade Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

e. The Parties hereby submit to the exclusive jurisdiction of the Court to resolve any dispute with respect to or arising from this Trade Agreement.

f. This Trade Agreement shall be deemed to have been drafted jointly by the Parties, and any uncertainty or omission shall not be construed as an attribution of drafting by any Party.

[Signature Page Follows]

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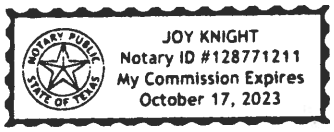
AGREED AND ACCEPTED AS OF THE DATE SET FORTH ABOVE:

[COMPANY]	**[VENDOR]**
By:	By:
Title:	Title:

EXHIBIT 9

THIS IS **EXHIBIT "9"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Joint Administration Requested)
	)	(Emergency Hearing Requested)

DEBTORS' EMERGENCY MOTION FOR ENTRY OF ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE THEIR SURETY BOND PROGRAM AND (II) GRANTING RELATED RELIEF

EMERGENCY RELIEF HAS BEEN REQUESTED. A HEARING WILL BE CONDUCTED ON THIS MATTER ON JULY 21, 2020, AT 4:00 PM (CENTRAL TIME) IN COURTROOM 404, 4TH FLOOR, 515 RUSK STREET, HOUSTON, TEXAS 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 21, 2020.

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 ISGUR'S CONFERENCE ROOM NUMBER IS 954554.

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 APPLICATION.

ONCE CONNECTED TO WWW.JOIN.ME, A PARTICIPANT MUST SELECT "JOIN A MEETING". THE CODE FOR JOINING THIS HEARING BEFORE JUDGE ISGUR IS "JUDGEISGUR". 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;

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

2) SELECTING "BANKRUPTCY COURT" FROM THE TOP MENU;

3) SELECTING JUDGES' PROCEDURES AND SCHEDULES;

4) SELECTING "VIEW HOME PAGE" FOR JUDGE ISGUR;

5) UNDER "ELECTRONIC APPEARANCE" SELECT "CLICK HERE TO SUBMIT ELECTRONIC APPEARANCE;"

6) SELECT BJ SERVICES, LLC, ET AL. FROM THE LIST OF ELECTRONIC APPEARANCE LINKS, AND

7)AFTER SELECTING BJ SERVICES, LLC, 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")[2] respectfully state the following in support of this motion (this "Motion"):[3]

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto (the "Order"): (a) authorizing the Debtors to maintain, renew, and modify their Surety Bond Program—including, but not limited to, the procurement of new sureties—in the ordinary course of business on a postpetition basis and pay outstanding prepetition amounts, if any, as of the Petition Date; and (b) granting related relief. In addition, the Debtors request that the Court schedule a final hearing 21 days after the commencement of these chapter 11 cases, or as soon thereafter as is convenient for the Court, to consider approval of this Motion on a final basis.

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[2] A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this Motion and the Debtors' chapter 11 cases, are set forth in the *Declaration of Warren Zemlak, Chief Executive Officer of BJ Services, LLC, in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), filed contemporaneously herewith and incorporated herein by reference.

[3] Capitalized terms used but not yet defined herein have the meanings ascribed to such terms later in this Motion or in the First Day Declaration, as applicable.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a), 363, 364, and 1107 of title 11 of the United States Code, 28 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), Bankruptcy Rules 6003 and 6004, and rules 4002-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Bankruptcy Local Rules").

Background[4]

5. BJ Services, LLC and its Debtor affiliates are leading providers of pressure pumping and oilfield services for the petroleum industry. Headquartered in Tomball, Texas, the Debtors operate through two segments, hydraulic fracturing and cementing. The Debtors primarily serve customers in upstream North American oil and natural gas shale basins in the completion of new wells and in remedial work on existing wells.

6. On July 20, 2020 (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors filed a motion

[4] As described in the First Day Declaration, the Debtors are in the process of pursuing an orderly wind down of their operations and sale of their business. Accordingly, the Debtors will modify the Surety Bond program described in this Motion as appropriate to facilitate a value maximizing sale and wind down.

requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

The Surety Bond Program

7. In the ordinary course of business, the Debtors are required by certain statutes or ordinances to provide surety bonds or other forms of credit support to certain third parties, often governmental units or other public agencies, to secure the payment or performance of certain obligations (each, a "Surety Bond," and collectively, the "Surety Bonds"). These obligations include excess weight and other highway and street bonds, U.S. customs bonds for importers, and other transportation-related bonds.

8. When a governmental unit or other public agency requests a bond, and the Debtors determine in their business judgment that they do not wish to use cash and cash equivalents on hand to satisfy such request, the Debtors may post a Surety Bond. Certain companies (each, a "Surety" and collectively, the "Sureties") provide, upfront, the full amount of the requested cash and cash equivalents to the requesting party on behalf of the Debtors, in exchange for, among other things, a fee from the Debtors to secure the Surety Bond issuance on the Debtors' behalf. The issuance of a Surety Bond shifts the risk of the Debtors' nonperformance or nonpayment from the obligee to the Surety.

9. As of the Petition Date, the Debtors have approximately 10 Surety Bonds outstanding, which provide approximately $322,300 in aggregate Surety Bond coverage for the

Debtors. A schedule of the Surety Bonds currently maintained by the Debtors is attached hereto as **Exhibit A** and incorporated herein by reference.[5]

10. In consideration for the Surety's issuance of the Surety Bonds, the Debtors pay premiums to secure their obligations to the Surety. The premiums for the Surety Bonds generally are determined on an annual basis and are paid by the Debtors when the Surety Bonds are issued and annually upon renewal. In the twelve months preceding the Petition Date, the premiums for the Surety Bonds totaled approximately $3,320. The Debtors do not provide the Surety with any collateral in support of the Surety Bonds. As of the Petition Date, the Debtors do not believe there are any unpaid prepetition obligations due and owing in connection with the Surety Bond premiums. Nevertheless, out of an abundance of caution, the Debtors request authority, but not direction, to pay any prepetition amounts, continue the Surety Bonds, enter into new Surety Bonds in the ordinary course of business on a postpetition basis, and, solely pursuant to the Order, renew the Surety Bonds.

11. Further, certain of the Debtors are party to indemnity agreements (each, a "Surety Indemnity Agreement," collectively, the "Surety Indemnity Agreements," and together with the Surety Bonds, the "Surety Bond Program") with their Surety, Travelers Casualty & Surety Company of America ("Travelers"). Pursuant to the Surety Indemnity Agreements, the Debtors agree to indemnify the Surety from any loss, cost, or expense that such Surety may incur on account of the issuance of any bonds on behalf of the Debtors. As of the Petition Date, the Debtors do not believe there are any unpaid prepetition obligations due and owing in connection with the Surety Indemnity Agreements. Nevertheless, out of an abundance of caution, the Debtors request

[5] To the extent that the Debtors inadvertently omitted any Surety Bonds from **Exhibit A** attached hereto, the Debtors request that any relief granted under this Motion apply to all Surety Bonds, regardless of whether any such Surety Bond is specifically identified on **Exhibit A** attached hereto.

authority, but not direction, to pay any prepetition amount due and owing in connection with the Surety Indemnity Agreements and continue paying amounts owed in connection with the Surety Indemnity Agreements as they come due in the ordinary course of business on a postpetition basis.

12. The Debtors must maintain the Surety Bond Program to provide financial assurance to state governments, regulatory agencies, and certain other third parties to continue operations during the administration of these chapter 11 cases. Maintaining the Surety Bond Program entails paying Surety Bond premiums as they come due, providing the Sureties with collateral, renewing or potentially acquiring additional Surety Bonds as needed in the ordinary course of business, and executing related agreements, as appropriate. Failure to maintain, renew, or timely replace Surety Bonds likely would prevent the Debtors from undertaking essential functions related to their operations and could result in a forced cessation of their operations and jeopardize the Debtors' efforts to maximize the value of their estates.

The Debtors' Surety Bond Brokers

13. The Debtors obtain Surety Bonds primarily through their Surety Bond broker, Travelers, and any wholesale brokers used in connection with the procurement of such Surety Bonds (collectively, the "Brokers"). The Brokers assist the Debtors in obtaining comprehensive Surety Bond coverage for their operations in the most cost-effective manner, negotiating Surety Bond terms, provisions, and premiums, and providing ongoing support throughout the applicable bonding periods. The Brokers collect fees for services rendered in addition to or as part of the premiums paid on account of the Surety Bonds (the "Brokerage Fees"). As of the Petition Date, the Debtors do not believe they owe any prepetition amounts on account of the Brokerage Fees. Nevertheless, out of an abundance of caution, the Debtors request authority, but not direction, to pay any prepetition amount due and owing in connection with the Brokerage Fees and continue

paying the Brokerage Fees as they come due in the ordinary course of business on a postpetition basis.

Basis for Relief

I. The Surety Bond Program Is Maintained in the Ordinary Course of the Debtors' Business.

14. Pursuant to section 363(c)(1) of the Bankruptcy Code, a debtor in possession may "enter into transactions . . . in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing." 11 U.S.C. § 363(c)(1). The Bankruptcy Code does not define "ordinary course of business." Courts in the Fifth Circuit apply a two-part test to determine whether a transaction is in the ordinary course of a debtor's business. The test analyzes the transaction on both a horizontal and a vertical basis—the horizontal inquiry focuses on whether the transaction is common to the debtor's industry, and the vertical inquiry focuses on comparing the proposed transaction to the debtor's prepetition practices. *See, e.g.*, *In re Patriot Place, Ltd.*, 486 B.R. 773, 793 (Bankr. W.D. Tex. 2013) ("[U]nder the vertical test, courts look at whether the transaction subjects a hypothetical creditor to a different economic risk than existed when the creditor originally extended the credit. Under the horizontal test, in general courts look at whether the transaction was of the sort commonly undertaken by companies in the industry. The primary focus is on the debtor's pre-petition practices and conduct."); *In re Cowin*, No. 13-30984, 2014 WL 1168714, at *41–43 (Bankr. S.D. Tex. Mar. 21, 2014) (applying the "horizontal" and "vertical" prongs of the test).

15. Here, continuance of the Surety Bond Program is consistent with the Debtors' prepetition practice and common among companies in the exploration and production industry. As a result, creditors will not be subjected to unexpected or different economic risks than existed when the creditors originally extended the credit. Accordingly, the Debtors submit that

continuation of the Surety Bond Program is an ordinary course transaction and should be authorized on a postpetition basis.

16. The Debtors believe they are authorized, without further order of the Court, to honor their obligations and perform in the ordinary course of business on a postpetition basis pursuant to section 363(c)(1) of the Bankruptcy Code. This includes, among other things, maintaining existing Surety Bonds, renewing Surety Bonds as they expire, acquiring new Surety Bonds as needed in the ordinary course of business, and paying applicable Surety Bond premiums, amounts arising under the Surety Indemnity Agreements, and Brokerage Fees. Accordingly, the Debtors respectfully submit that they may continue the Surety Bond Program in the ordinary course of business on a postpetition basis.

II. The Debtors Should Be Authorized to Continue the Surety Bond Program in Accordance with Prepetition Practice Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code.

17. Section 363(b) of the Bankruptcy Code permits a debtor, subject to court approval, to pay prepetition obligations where a sound business purpose exists for doing so. *See In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (noting that section 363(b) of the Bankruptcy Code provides "broad flexibility" to authorize a debtor to use property of the estate outside of the ordinary course of business where supported by an appropriate business justification). In addition, under section 1107(a) of the Bankruptcy Code, a debtor in possession has, among other things, the "implied duty of the debtor-in-possession to 'protect and preserve the estate, including an operating business' going concern value.'" *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)). Moreover, under section 105(a) of the Bankruptcy Code, "the Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of the Bankruptcy Code." 11 U.S.C. § 105(a). *See also In re CoServ, L.L.C.*, 273 B.R. at 497 (holding

that the "Court has inherent authority, through section 105(a) of the Bankruptcy Code to grant this Motion, in the interest of preservation of Debtors' bankruptcy estate."); *In re Mirant Corp.*, 296 B.R. 427, 429 (Bankr. N.D. Tex. 2003) (noting that non-payment of prepetition claims may seriously damage a debtor's business).

18. To the extent that section 363(b) of the Bankruptcy Code is applicable to the relief requested in this Motion, the Debtors respectfully request the Court authorize the Debtors to continue the Surety Bond Program. This includes, among other things, maintaining existing Surety Bonds, renewing Surety Bonds as they expire, acquiring new Surety Bonds as needed in the ordinary course of business, and paying applicable Surety Bond premiums and Brokerage Fees. As noted above, certain Surety Bonds are required by statute, and in other instances, Surety Bonds may be required by contract or regulation. The Debtors' failure to maintain, renew, or provide the Surety Bonds may therefore jeopardize the Debtors' ability to maintain and administer their estates.

19. Continuing the Surety Bond Program is, therefore, necessary to maintain the Debtors' current business operations, as well as the Debtors' existing relationships with the Surety. Based on the Debtors' current circumstances, it is not likely the Debtors will be able to renew or replace existing Surety Bonds on terms more favorable than those offered by the Surety. The process of establishing a new Surety Bond Program, moreover, would be burdensome to the Debtors, and it is doubtful the Debtors could replace all of the Surety Bonds in time to avoid defaults or other consequences of failing to fulfill the applicable obligations.

20. Accordingly, the Debtors respectfully submit that continuing the Surety Bond Program should be authorized under sections 105(a) and 363(b) of the Bankruptcy Code to the extent such continuation is deemed to be outside the ordinary course of the Debtors' businesses.

III. To the Extent the Court Determines that the Surety Bond Program Is a Secured Extension of Credit, Relief is Appropriate Under Section 364 of the Bankruptcy Code.

21. Under section 364(c) of the Bankruptcy Code, a debtor may obtain unsecured credit in the ordinary course of business or obtain secured credit (a) with priority over administrative expenses, (b) secured by a lien on unencumbered estate assets, or (c) secured by a junior lien on previously encumbered assets. 11 U.S.C. § 364(c). To satisfy the requirements of section 364(c) of the Bankruptcy Code, a debtor need only demonstrate "by a good faith effort that credit was not available" to the debtor on an unsecured or administrative expense basis. *Bray v. Shenandoah Fed. Savs. & Loan Ass'n (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986). Given the Debtors' current financial circumstances, the Debtors may not be able to obtain financial accommodations on an unsecured basis or administrative expense basis comparable to those offered by the Sureties. To the extent a Surety Bond is deemed an extension of credit, section 364 of the Bankruptcy Code provides the Debtors ample authority to renew existing Surety Bonds, procure new ones, whether on an unsecured basis or, if necessary, on a secured basis.

22. Continuing the Surety Bond Program is necessary to maintain the Debtors' current business operations. As described above, the Debtors are required to provide Surety Bonds or other forms of credit support to certain third parties, often governmental units or other public agencies, to secure the payment or performance of certain obligations. The Debtors therefore seek authority, but not direction, to furnish the Surety (or any new provider of Surety Bonds) with collateral or new forms of credit support with respect to the Debtors' existing Surety Bonds, Surety Bond renewals, or any new Surety Bonds.

IV. Cause Exists to Authorize the Debtors' Financial Institutions to Honor Checks and Electronic Fund Transfers.

23. The Debtors have sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations

and anticipated access to cash collateral. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the Surety Bond Program. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

Emergency Consideration

24. 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 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." As set forth in this Motion, an immediate and orderly transition into chapter 11 is critical to the ability of the Debtors' to maximize the value of their estates, and this emergency Motion is necessary to prevent unnecessary delay in these chapter 11 cases. Furthermore, the failure to receive the requested relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors' operations and efforts at this critical juncture. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

25. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and

that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

26. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

Notice

27. The Debtors will provide notice of this Motion to the following parties: (a) the Office of the U.S. Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the administrative agent under the Debtors' prepetition asset-based revolving credit facility and counsel thereto; (d) the administrative agent under the Debtors' prepetition term loan facility and counsel thereto; (e) the administrative agent under the Debtors' prepetition real estate loan and counsel thereto; (f) the Sureties; (g) the United States Attorney's Office for the Southern District of Texas; (h) the Internal Revenue Service; (i) the United States Securities and Exchange Commission; (j) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (k) the state attorneys general for states in which the Debtors conduct business; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

28. No prior motion for the relief requested herein has been made to this or any other court.

[*Remainder of page intentionally left blank*]

WHEREFORE, the Debtors respectfully request that the Court enter the Order, granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Houston, Texas
July 20, 2020

/s/ Paul D. Moak

GRAY REED & McGRAW LLP
Jason S. Brookner (TX Bar No. 24033684)
Paul D. Moak (TX Bar No. 00794316)
Amber M. Carson (TX Bar No. 24075610)
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pmoak@grayreed.com
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Proposed Co-Counsel to the Debtors and Debtors in Possession

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KIRKLAND & ELLIS INTERNATIONAL LLP
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-and-

Samantha G. Lawrence (*pro hac vice* pending)
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josh.altman@kirkland.com

Proposed Co-Counsel to the Debtors and Debtors in Possession

Certificate of Service

I certify that on July 20, 2020, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Paul D. Moak
Paul D. Moak

Exhibit A

Surety Bonds

Surety Bond Information									
Issuing Carrier: Travelers Casualty and Surety Company of America **Subsidiary and Principal:** BJ Services, LLC									
Bond Number	**Obligee**	**Type of Bond**	**Description**	**Bond Amount**	**Premium**	**Effective Date**	**Expiration Date**	**Renewal Method**	**Outstanding Liability**
100749463	Calhoun County	Excess Weight and Other Highway and Street Permits	Contracting - excess weight/highway/street	$15,000.00	$135.00	4/27/2017	4/27/2021	Continuation Certificate	$15,000.00
100749466	State of West Virginia, State Tax Department, Division of Excise & License Tax	Mileage Tax Bond	Mileage tax	$12,300.00	$300.00	1/1/2016	1/1/2022	Continuous	$12,300.00
100793206	Brazos County, Texas, Road and Bridge Department	Excess Weight and Other Highway and Street Permits	Contracting - excess weight/highway/street	$15,000.00	$135.00	2/4/2017	2/4/2021	Continuation Certificate	$15,000.00
100964706	State of Louisiana, Dept. of Transportation and Development	Excess Weight and Other Highway and Street Permits	LA DOTD Excess Dimensions or Weight Permit Bond	$30,000.00	$729.00	12/26/1996	12/26/2021	Continuous	$30,000.00
103758654	State of Arkansas Highway & Transportation Department	Excess Weight and Other Highway and Street Permits	Contracting - excess weight/highway/street	$100,000.00	$900.00	10/12/2016	10/12/2020	Continuous with Verification Certificate	$100,000.00
104632052	Texas Department of Transportation	Excess Weight and Other Highway and Street Permits	Contracting - excess weight/highway/street	$40,000.00	$360.00	1/25/2017	1/25/2021	Continuous	$40,000.00

Surety Bond Information									
Issuing Carrier: Travelers Casualty and Surety Company of America **Subsidiary and Principal:** BJ Services, LLC									
Bond Number	**Obligee**	**Type of Bond**	**Description**	**Bond Amount**	**Premium**	**Effective Date**	**Expiration Date**	**Renewal Method**	**Outstanding Liability**
105406555	Commonwealth of Pennsylvania, Pennsylvania Department of Transportation	Excess Weight and Other Highway and Street Permits	Contracting - excess weight/highway/street	$25,000.00	$225.00	6/29/2016	6/29/2021	Continuous	$25,000.00
106529312	Commonwealth of Pennsylvania, Department of Transportation	Excess Weight and Other Highway and Street Permits	PA DOT Special Hauling Surety Bond	$10,000.00	$100.00	8/15/2017	8/15/2020	Continuous	$10,000.00
106733701	Texas Department of Transportation	Excess Weight and Other Highway and Street Permits	TX Over Axle and Over Gross Weight Tolerance Permit Bond 1753 Rev 7-17 (License & Permit)	$15,000.00	$135.00	1/3/2018	1/3/2021	Continuous	$15,000.00
160224007	U.S. Customs and Border Protection	Customs-Continuous-All Other	US Customs Bond for importer	$60,000.00	$300.00	3/3/2016	3/3/2021	Continuous	$60,000.00

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Joint Administration Requested)
	)	**Re: Docket No. __**

ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE THEIR SURETY BOND PROGRAM AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of a final order (this "Order"): (a) authorizing the Debtors to maintain, renew, and modify their Surety Bond Program—including, but not limited to, the procurement of new sureties—in the ordinary course of business on a postpetition basis and pay outstanding prepetition amounts, if any, as of the Petition Date; and (b) granting related relief, all 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 this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. Subject to the terms of this Order, the Debtors are authorized to continue the Surety Bond Program and pay any prepetition or postpetition obligations related to the Surety Bonds, including any amounts owed on account of Brokerage Fees, subject to the terms of the Cash Collateral Orders (as defined herein), including the Budget (as defined in the Cash Collateral Orders).

2. The Debtors are further authorized, in the ordinary course of business, to: (a) renew, amend, modify, supplement, and extend their existing Surety Bond Program; (b) obtain new Surety Bonds; (c) maintain existing collateral; (d) post new or additional collateral, or issue letters of credit; and (e) execute other agreements in connection with the Surety Bond Program, subject to the terms of the Cash Collateral Orders (as defined herein), including the Budget (as defined in the Cash Collateral Orders). The Debtors are not authorized by this Order to take any action with respect to a Surety Bond or the Surety Indemnity Agreements that would have the effect of transforming a prepetition undersecured or unsecured Surety Bond obligation or obligation under the Surety Indemnity Agreements to a postpetition or secured obligation. Such relief may be sought by a separate motion, which may be heard on an expedited basis. Nothing in

this Order shall be construed to obligate any Surety to renew or increase the amount of any existing surety bond or to issue any new surety bonds to the Debtors.

3. If the Debtors (a) request renewal of any bonds issued by the Surety; or (b) request any new bonds to be issued post-petition, then the Sureties are entitled to adequate protection. The adequate protection provided by the Debtors and approved by the Court includes: (a) cross-collateralization of all pre-petition collateral, if any, provided by the Debtors to the Sureties so that any collateral pledged by the Debtors pre-petition shall apply to any pre-petition bonds, as well as post-petition renewals and new post-petition bonds issued by the Sureties; (b) the pledge of new collateral by the Debtors to the Sureties to secure the extension of post-petition credit in the form of bond renewals or new bonds, with the amount and type of collateral to be determined by the Debtors and the Sureties, subject to the approval of the Court; (c) a modified premium rate structure permitting the Sureties to receive higher premiums than standardized by law in a non-bankruptcy circumstance, with the new rate for any bond renewals or new bonds post-petition to be agreed by the Debtors and the Surety, subject to the approval of the Court; and (d) the right of the Debtors to secure alternative bonding for any pre-petition bonds that are due for renewal post-petition, which will have the effect of relieving the Sureties of further responsibility under the specific bond not renewed post-petition.

4. The Debtors will notify the U.S. Trustee, counsel to the administrative agent under the Debtors' asset-based revolving credit facility, and any statutory committee appointed in these chapter 11 cases if the Debtors renew, amend, supplement, extend, terminate, replace, increase, or decrease surety bond coverage, letters of credit, change surety carriers, obtain additional surety bonds, or obtain additional letters of credit.

5. The Debtors shall maintain a matrix/schedule of payments made pursuant to this Order, including the following information: (a) the names of the payee; (b) the nature of the payment; (c) the amount of the payment; (d) the category or type of payment, as further described and classified in the Motion; (e) the Debtor or Debtors that made the payment; and (f) the payment date; and (g) the purpose of such payment. The Debtors shall provide a copy of such matrix to the U.S. Trustee, counsel to the administrative agent under the Debtors' asset-based revolving credit facility, and any statutory committee appointed in these chapter 11 cases every 30 days beginning upon entry of this Order.

6. Notwithstanding anything else contained herein, (a) any relief granted herein, including any payment to be made or authorization contained hereunder, shall be subject in all respects to the terms and conditions of, including all requirements imposed upon the Debtors under, any interim or final order of the Court in these chapter 11 cases authorizing the use of cash collateral (as may be modified, amended, or supplemented, the "Cash Collateral Orders") (including, without limitation, the budget required in connection therewith) and the Prepetition ABL Loan Documents (as defined in the Cash Collateral Orders) approved therein and (b) to the extent there is any inconsistency between the terms and conditions of such Cash Collateral Orders or Prepetition ABL Loan Documents and any action taken or proposed to be taken hereunder, the terms and conditions of such Cash Collateral Orders shall govern.

7. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or

admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

8. The banks and financial institutions on which checks were drawn or electronic payment requests were made in connection with the payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

9. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Surety Bond Program.

10. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Bankruptcy Rules and the Bankruptcy Local Rules are satisfied by such notice.

11. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

12. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

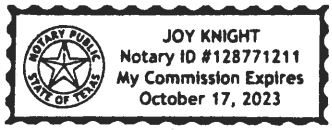
13. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2020
Houston, Texas

HON. MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 10

THIS IS **EXHIBIT "10"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

ENTERED
07/29/2020

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 7**

ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE THEIR SURETY BOND PROGRAM AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of a final order (this "Order"): (a) authorizing the Debtors to maintain, renew, and modify their Surety Bond Program—including, but not limited to, the procurement of new sureties—in the ordinary course of business on a postpetition basis and pay outstanding prepetition amounts, if any, as of the Petition Date; and (b) granting related relief, all 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 this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. Subject to the terms of this Order, the Debtors are authorized to continue the Surety Bond Program and pay any prepetition or postpetition obligations related to the Surety Bonds, including any amounts owed on account of Brokerage Fees, subject to the terms of the Cash Collateral Orders (as defined herein), including the Budget (as defined in the Cash Collateral Orders).

2. The Debtors are further authorized, in the ordinary course of business, to: (a) renew, amend, modify, supplement, and extend their existing Surety Bond Program; (b) obtain new Surety Bonds; (c) maintain existing collateral; (d) post new or additional collateral, or issue letters of credit; and (e) execute other agreements in connection with the Surety Bond Program, subject to the terms of the Cash Collateral Orders (as defined herein), including the Budget (as defined in the Cash Collateral Orders). The Debtors are not authorized by this Order to take any action with respect to a Surety Bond or the Surety Indemnity Agreements that would have the effect of transforming a prepetition undersecured or unsecured Surety Bond obligation or obligation under the Surety Indemnity Agreements to a postpetition or secured obligation. Such relief may be sought by a separate motion, which may be heard on an expedited basis. Nothing in

this Order shall be construed to obligate any Surety to renew or increase the amount of any existing surety bond or to issue any new surety bonds to the Debtors.

3. If the Debtors (a) request renewal of any bonds issued by the Surety; or (b) request any new bonds to be issued post-petition, then the Sureties are entitled to adequate protection. The adequate protection provided by the Debtors and approved by the Court includes: (a) cross-collateralization of all pre-petition collateral, if any, provided by the Debtors to the Sureties so that any collateral pledged by the Debtors pre-petition shall apply to any pre-petition bonds, as well as post-petition renewals and new post-petition bonds issued by the Sureties; (b) the pledge of new collateral by the Debtors to the Sureties to secure the extension of post-petition credit in the form of bond renewals or new bonds, with the amount and type of collateral to be determined by the Debtors and the Sureties, subject to the approval of the Court; (c) a modified premium rate structure permitting the Sureties to receive higher premiums than standardized by law in a non-bankruptcy circumstance, with the new rate for any bond renewals or new bonds post-petition to be agreed by the Debtors and the Surety, subject to the approval of the Court; and (d) the right of the Debtors to secure alternative bonding for any pre-petition bonds that are due for renewal post-petition, which will have the effect of relieving the Sureties of further responsibility under the specific bond not renewed post-petition.

4. The Debtors will notify the U.S. Trustee, counsel to the administrative agent under the Debtors' asset-based revolving credit facility, and any statutory committee appointed in these chapter 11 cases if the Debtors renew, amend, supplement, extend, terminate, replace, increase, or decrease surety bond coverage, letters of credit, change surety carriers, obtain additional surety bonds, or obtain additional letters of credit.

5. The Debtors shall maintain a matrix/schedule of payments made pursuant to this Order, including the following information: (a) the names of the payee; (b) the nature of the payment; (c) the amount of the payment; (d) the category or type of payment, as further described and classified in the Motion; (e) the Debtor or Debtors that made the payment; and (f) the payment date; and (g) the purpose of such payment. The Debtors shall provide a copy of such matrix to the U.S. Trustee, counsel to the administrative agent under the Debtors' asset-based revolving credit facility, and any statutory committee appointed in these chapter 11 cases every 30 days beginning upon entry of this Order.

6. Notwithstanding anything else contained herein, (a) any relief granted herein, including any payment to be made or authorization contained hereunder, shall be subject in all respects to the terms and conditions of, including all requirements imposed upon the Debtors under, any interim or final order of the Court in these chapter 11 cases authorizing the use of cash collateral (as may be modified, amended, or supplemented, the "Cash Collateral Orders") (including, without limitation, the budget required in connection therewith) and the Prepetition ABL Loan Documents (as defined in the Cash Collateral Orders) approved therein and (b) to the extent there is any inconsistency between the terms and conditions of such Cash Collateral Orders or Prepetition ABL Loan Documents and any action taken or proposed to be taken hereunder, the terms and conditions of such Cash Collateral Orders shall govern.

7. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or

admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

8. The banks and financial institutions on which checks were drawn or electronic payment requests were made in connection with the payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

9. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Surety Bond Program.

10. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Bankruptcy Rules and the Bankruptcy Local Rules are satisfied by such notice.

11. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

12. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

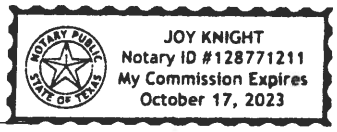
13. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Signed: July 29, 2020

Marvin Isgur
United States Bankruptcy Judge

EXHIBIT 11

THIS IS **EXHIBIT "11"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Joint Administration Requested)
	)	(Emergency Hearing Requested)

DEBTORS' EMERGENCY MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE PAYMENT OF CERTAIN PREPETITION TAXES AND FEES AND (II) GRANTING RELATED RELIEF

EMERGENCY RELIEF HAS BEEN REQUESTED. A HEARING WILL BE CONDUCTED ON THIS MATTER ON JULY 21, 2020, AT 4:00 PM (CENTRAL TIME) IN COURTROOM 404, 4TH FLOOR, 515 RUSK STREET, HOUSTON, TEXAS 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 21, 2020.

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 ISGUR'S CONFERENCE ROOM NUMBER IS 954554.

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 APPLICATION.

ONCE CONNECTED TO WWW.JOIN.ME, A PARTICIPANT MUST SELECT "JOIN A MEETING". THE CODE FOR JOINING THIS HEARING BEFORE JUDGE ISGUR IS "JUDGEISGUR". 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;

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

2) SELECTING "BANKRUPTCY COURT" FROM THE TOP MENU;

3) SELECTING JUDGES' PROCEDURES AND SCHEDULES;

4) SELECTING "VIEW HOME PAGE" FOR JUDGE ISGUR;

5) UNDER "ELECTRONIC APPEARANCE" SELECT "CLICK HERE TO SUBMIT ELECTRONIC APPEARANCE;"

6) SELECT BJ SERVICES, LLC, ET AL. FROM THE LIST OF ELECTRONIC APPEARANCE LINKS, AND

7) AFTER SELECTING BJ SERVICES, LLC, 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")[2] respectfully state the following in support of this motion (this "Motion"):[3]

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto (the "Order"): (a) authorizing the Debtors to remit and pay (or use tax credits to offset) the amounts due for Taxes and Fees in the ordinary course of business; and (b) granting related relief.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court.

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[2] A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this Motion and the Debtors' chapter 11 cases, are set forth in the *Declaration of Warren Zemlak, Chief Executive Officer for BJ Services, LLC, in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), filed contemporaneously herewith and incorporated herein by reference.

[3] Capitalized terms used but not yet defined herein have the meanings ascribed to such terms later in this Motion or in the First Day Declaration, as applicable.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a), 363(b), 507(a)(8), 541, and 1107 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), Bankruptcy Rules 6003 and 6004, and rules 4002-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Bankruptcy Local Rules").

Background

5. BJ Services, LLC and its Debtor affiliates are leading providers of pressure pumping and oilfield services for the petroleum industry. Headquartered in Tomball, Texas, the Debtors operate through two segments, hydraulic fracturing and cementing. The Debtors primarily serve customers in upstream North American oil and natural gas shale basins in the completion of new wells and in remedial work on existing wells.

6. On July 20, 2020 (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

The Debtors' Taxes and Fees

7. In the ordinary course of their business, the Debtors collect, withhold, and incur property taxes, sales and use, well, franchise, as well as other business, environmental, and regulatory fees (collectively, the "Taxes and Fees").[4] The Debtors pay or remit the Taxes and Fees

[4] By this Motion, the Debtors do not seek the authority to collect and remit state and federal employee-related taxes and withholdings. Such relief is instead requested in the *Debtors' Emergency Motion for Entry of an Order*

to various federal, state, and local governments, including taxing and licensing authorities (collectively, the "Authorities"). A schedule identifying the Authorities is attached hereto as **Exhibit A**.[5] Taxes and Fees are remitted and paid by the Debtors through checks and electronic funds transfers that are processed through their banks and other financial institutions on a monthly, quarterly, semiannually, or annually, depending on the nature and incurrence of a particular Tax or Fee. From time to time, the Debtors also receive tax credits for overpayments or refunds in respect of Taxes or Fees. The Debtors use these credits in the ordinary course of business to offset against future Taxes or Fees, or have such amounts refunded to the Debtors.

8. Although the Debtors believe they are substantially current with respect to their payment of Taxes and Fees, the Debtors seek authority pursuant to this Motion to make such payments where: (a) Taxes and Fees accrue or are incurred in the ordinary course of business postpetition; (b) Taxes and Fees accrued or were incurred prepetition but were not paid prepetition, or were paid in an amount less than actually owed; (c) Taxes and Fees paid prepetition by the Debtors were lost or otherwise not received in full by any of the Authorities, and for which there may be interest or other penalties; (d) Taxes and Fees incurred for prepetition periods that may become due during the pendency of these chapter 11 cases; and/or (e) Taxes and Fees for so-called "straddle" periods (*i.e.*, periods that include the Petition Date).[6]

(I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses, and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief, filed contemporaneously herewith.

[5] Although **Exhibit A** is intended to be comprehensive, the Debtors may have inadvertently omitted Authorities from **Exhibit A**. By this Motion, the Debtors request relief with respect to Taxes and Fees payable to all Authorities, regardless of whether such Authority is specifically identified on **Exhibit A**.

[6] Claims for so-called "straddle" period Taxes and Fees may be entitled to administrative claim treatment pursuant to section 503(b)(1)(B) of the Bankruptcy Code. The Debtors could be subject to late payment penalties and interest in the event they do not pay such "straddle" period Taxes and Fees, and a court may ultimately conclude that such Taxes and Fees are entitled to administrative treatment. Thus, the Debtors are seeking the authority to pay such "straddle" period Taxes and Fees as they become due under applicable law. The Debtors reserve their rights with respect to the proper characterization of such "straddle" period Taxes and Fees and to seek reimbursement of any portion of a payment that was made that ultimately is not entitled to administrative or

9. Any failure by the Debtors to pay the Taxes and Fees could materially disrupt the Debtors' business operations in several ways, including: (a) the Authorities may initiate audits of the Debtors, which would unnecessarily divert the Debtors' attention from maximizing value for their estates; (b) the Authorities may attempt to suspend the Debtors' operations, file liens, seek to lift the automatic stay, and/or pursue other remedies that will harm the estates; and (c) in certain instances, the Debtors' directors and officers could be subject to claims of personal liability, which would likely distract those key individuals from their duties related to the Debtors' administration of these chapter 11 cases. Moreover, Taxes and Fees not paid on the due date as required by law may result in fines and penalties, the accrual of interest, or both. Finally, the Debtors collect and hold certain outstanding tax liabilities in trust for the benefit of the applicable Authorities, and these funds may not constitute property of the Debtors' estates.

10. The Debtors estimate that approximately $6.9 million in Taxes and Fees relating to the prepetition period have accrued and may become due and owing, either in the ordinary course, in connection with audits, or in connection with settlements or statutory "amnesty" provisions, after the Petition Date. The following table describes various categories of Taxes and Fees and includes estimates of the Taxes and Fees accrued as of the Petition Date:

priority treatment.

Category	Description	Approximate Amount Accrued as of Petition Date	Approximate Amount Due Within 21 Days
Sales and Use Taxes	Taxes on goods and/or services that are used/consumed or sold and assessed based on the value of those goods and services.	$500,000	$625,000
Property Taxes	State and local laws in the jurisdictions in which the Debtors operate generally grant Authorities the power to levy property taxes against the Debtors' real and personal property. To avoid the imposition of statutory liens on their real and personal property, the Debtors typically pay property taxes in the ordinary course of business on a monthly, quarterly, or annual basis, depending on the jurisdiction.	$5,150,000	$100,000
Other Taxes and Fees	Debtors incur a variety of fees related to environmental and conservation laws and regulations, business licensing and annual report fees, franchise, permitting, and participation in state regulatory agencies and boards. The Debtors remit the other taxes and fees to the relevant Authorities on a monthly, quarterly, or annual basis, depending on the jurisdiction.	$1,275,000	$375,000
	Approximate Total	$6,925,000	$1,100,000

I. Sales and Use Taxes.

11. In connection with such operations, the Debtors incur, collect, and remit sales and use taxes based on the goods and/or services that are used or consumed and assessed in relation to the value added to such goods and/or services (the "Sales and Use Taxes"). Sales and Use Taxes essentially are general consumption taxes charged at either the point of purchase for goods and services or the point of sale of goods and services, which are usually set by the Authority as a percentage of the retail price of the good or service purchased. The process by which the Debtors remit Sales and Use Taxes varies depending on the Authority. Generally, the Debtors remit Sales and Use Taxes on a monthly, bi-monthly, or quarterly basis. In 2019, the Debtors remitted approximately $38 million in the aggregate to various Authorities on account of Sales and Use Taxes. As of the Petition Date, the Debtors estimate that approximately $500,000 has accrued on account of Sales and Use Taxes.

II. Property Taxes.

12. State, local, and foreign laws in the jurisdictions in which the Debtors operate generally grant Authorities the power to levy property taxes, including ad valorem taxes (collectively, the "Property Taxes"), against the Debtors' real and personal property. To avoid the imposition of statutory liens on their real and personal property, the Debtors typically pay the Property Taxes in the ordinary course of business on an annual or semi-annual basis.

13. During the financial year ended 2019, the Debtors paid approximately $10.3 million in Property Taxes to the applicable Authorities. This amount includes Property Taxes collected from third parties and paid to the applicable Authorities. As of the Petition Date, the Debtors estimate that they have accrued approximately $5.2 million in Property Taxes.

III. Other Taxes and Fees.

14. The Debtors incur, in the ordinary course of business, certain regulatory assessments, permitting, licensing and other operational fees, including flag and port fees, levies, fees related to environmental and conservation laws and regulations, franchise taxes, Property Taxes, and other miscellaneous Taxes and Fees (collectively, "Other Taxes and Fees"). The Debtors typically remit Other Taxes and Fees to the relevant Authorities or customs agents on a monthly, quarterly, or annual basis. In 2019, the Debtors paid approximately $3 million in Other Taxes and Fees. As of the Petition Date, the Debtors estimate that approximately $1.3 million in Other Taxes and Fees will have accrued and remain unpaid to the relevant Authorities or customs agents.

IV. Audit.

15. The Debtors are currently subject to ongoing routine audit investigations in several jurisdictions and may be subject to further investigations on account of tax returns and/or tax obligations in prior years (collectively, the "Audits"). The Audits may result in additional

prepetition Taxes and Fees being assessed against the Debtors (such additional Taxes and Fees, the "Assessments"). Some of the final results of such Audits are currently unavailable, and as a result, the Debtors cannot determine the amount of such potential Assessments, if any. All Assessments that have been asserted but are being contested in the appropriate judicial or administrative proceedings, as well as amounts that may need to be posted as collateral in order to contest asserted Assessment amounts, are included in the applicable Taxes and Fees category above. Further, the Authorities may conduct additional Audits in the future, resulting in additional Assessments on account of prepetition Taxes and Fees. Out of an abundance of caution, the Debtors seek authority, but not direction, to pay or remit tax obligations on account of the Audits as they arise in the ordinary routine course of the Debtors' business, including as a result of any resolutions of issues addressed in an Audit.[7]

Basis for Relief

I. Certain of the Taxes and Fees May Not Be Property of the Debtors' Estates.

16. Many of the Taxes and Fees are collected or withheld by the Debtors on behalf of the applicable Authorities and are held in trust by the Debtors. As such, these Taxes and Fees are not property of the Debtors' estates under section 541 of the Bankruptcy Code. *See, e.g.*, *Begier v. Internal Revenue Serv.*, 496 U.S. 53, 59 (1990); *In re Al Copeland Enter., Inc.*, 991 F.2d 233, 237 (5th Cir. 1993) (noting that a debtor holds state sales tax revenues in trust for the state); *In re Equalnet Comm. Corp.*, 258 B.R. 368, 370 (Bankr. S.D. Tex. 2000) ("[C]ertain prepetition tax claims, such as sales taxes, could be trust fund claims."). Because the Debtors may not have an equitable interest in funds held on account of such "trust fund" taxes, the Debtors respectfully

[7] Nothing in the above table, this Motion, or any related order constitutes or should be construed as an admission of liability by the Debtors with respect to any Audit or Assessment. The Debtors expressly reserve all rights with respect to any Audit. Furthermore, the Debtors reserve the right to contest Assessments, if any, claimed to be due as a result of the Audits.

submit that they should be permitted to pay those funds to the Authorities as they become due.[8]

II. Certain of the Taxes and Fees May Be Secured or Priority Claims Entitled to Special Treatment under the Bankruptcy Code.

17. Claims for certain of the Taxes and Fees are or may be priority claims entitled to payment before general unsecured claims. *See* 11 U.S.C. § 507(a)(8) (describing taxes entitled to priority treatment). Moreover, to the extent that such amounts are entitled to priority treatment under the Bankruptcy Code, the respective Authorities may attempt to assess fees, interest, and penalties if such amounts are not paid. *See* 11 U.S.C. § 507(a)(8)(G) (granting priority status to "a penalty related to a claim of a kind specified in this paragraph and in compensation for actual pecuniary loss"). Claims entitled to priority status pursuant to section 507(a)(8) of the Bankruptcy Code must be paid in full under a confirmable plan pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. Therefore, payment of certain of the Taxes and Fees at this time only affects the timing of the payment for the amounts at issue and will not unduly prejudice the rights and recoveries of junior creditors. *See In re Equalnet Commc'ns Corp.*, 258 B.R. at 368 ("[C]ertain types of claims enjoy a priority status in addition to being sometimes critical to the ongoing nature of the business. For instance, employee wage claims and certain tax claims are both priority claims in whole or in part. The need to pay these claims in an ordinary course of business time frame is simple common sense.").

III. Payment of the Taxes and Fees Is a Sound Exercise of the Debtors' Business Judgment and Is Required by the U.S. Trustee.

18. The Court may also authorize the Debtors to pay the Taxes and Fees under section 363(b)(1) of the Bankruptcy Code, which provides that "[t]he trustee, after notice and a hearing,

[8] For the avoidance of doubt, the Debtors hereby request authority to pay the Taxes and Fees as provided herein regardless of whether such Taxes and Fees constitute trust fund obligations.

may use, sell, or lease, other than in the ordinary course of business, property of the estate . . . ." Under this section, a court may authorize a debtor to pay certain prepetition claims where a debtor "show[s] that a sound business purpose justifies such actions." *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999). Moreover, "[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." *In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted). *See also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (stating that "[o]vercoming the presumptions of the business judgment rule on the merits is a near-Herculean task"). Thus, if a transaction satisfies the business judgment rule, it should be approved under section 363(b)(1) of the Bankruptcy Code.

19. Furthermore, section 105(a) of the Bankruptcy Code further provides that a court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of the Bankruptcy Code, pursuant to the "doctrine of necessity." 11 U.S.C. § 105(a); *In re CoServ, L.L.C.*, 273 B.R.487, 497 (Bankr. N.D. Tex. 2002) (finding that sections 105 and 1107 of the Bankruptcy Code provide the authority for a debtor in possession to pay prepetition claims); *In re Mirant Corp.*, 296 B.R. 427, 429 (Bankr. N.D. Tex. 2003) (noting that non-payment of prepetition claims may seriously damage a debtor's business). The U.S. Trustee also requires that debtors pay all tax obligations arising after the filing of the petition in full when due. *See, e.g., Region 7 Guidelines for Debtors-in-Possession*, https://www.justice.gov/ust-regions-r07/file/r07_dip_guidelines.pdf/download.

20. Here, the Debtors' ability to pay the Taxes and Fees is critical to maintaining the value of the Debtors' estates. Payment of the Taxes and Fees will benefit the estates and their creditors by (a) permitting the Debtors' business operations to continue without interruption and

(b) reducing both the amount and priority of claims that could be asserted against the Debtors' estates. If certain Taxes and Fees remain unpaid, the Authorities may seek to recover such amounts directly from the Debtors' directors, officers, or employees, thereby distracting these key personnel from the administration of the Debtors' chapter 11 cases. *See, e.g.*, Tex. Tax Code Ann. § 111.016 (Vernon 2007) (persons who hold money paid as a tax for the benefit of the state are liable to the state for the full amount); *In re TexPig Stands, Inc.*, 610 F.3d 937, 941 (5th Cir. 2010) (noting that corporate officers may be held responsible for payment of certain corporate taxes). Any collection action on account of such penalties, and any potential ensuing liability, would distract the Debtors and their personnel to the detriment of all parties in interest. The dedicated and active participation of the Debtors' officers and employees is integral to the Debtors' continued orderly administration and, ultimately, the success of these chapter 11 cases.

21. Furthermore, the Debtors' failure to pay the Taxes and Fees may ultimately result in increased tax liability for the Debtors if interest and penalties accrue and such amounts may be entitled to priority treatment. *See, e.g.*, Tex. Tax Code Ann. § 111.016(a) (Vernon 2007). Such a result would be contrary to the best interests of the Debtors' estates and all stakeholders. As noted above, many of the Taxes and Fees may be entitled to priority status pursuant to section 507(a)(8)(C) of the Bankruptcy Code. As priority claims, these obligations must be paid in full before any general unsecured obligations of the Debtors may be satisfied. *See In re Equalnet Commc'ns Corp.*, 258 B.R. 368, 369 (Bankr. S.D. Tex. 2000) (noting that paying priority tax claims in the ordinary course of business is "simple common sense"). To the extent that the Debtors are not able to timely pay the prepetition Taxes and Fees, they may ultimately be required to pay those amounts with additional interest and penalties. The Debtors' failure to pay the prepetition Taxes and Fees as they come due may, thus, ultimately increase the amount of priority

claims held by the Authorities against the Debtors' estates to the detriment of the Debtors' stakeholders. *See* 11 U.S.C. §§ 507(a)(8)(C) and 507(a)(8)(G). Accordingly, the Court should grant the Debtors authority to pay the prepetition Taxes and Fees as provided herein.

IV. Cause Exists to Authorize the Debtors' Financial Institutions to Honor Checks and Electronic Fund Transfers.

22. The Debtors have sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the Taxes and Fees. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

Emergency Consideration

23. 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 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." As set forth in this Motion, an immediate and orderly transition into chapter 11 is critical to the ability of the Debtors' to maximize the value of their estates, and this emergency Motion is necessary to prevent unnecessary delay in these chapter 11 cases. Furthermore, the failure to receive the requested relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors' operations and efforts at this critical juncture. Accordingly, the Debtors submit that they have

satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

24. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

25. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of

all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

Notice

26. The Debtors will provide notice of this Motion to the following parties: (a) the Office of the U.S. Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the administrative agent under the Debtors' prepetition asset-based revolving credit facility and counsel thereto; (d) the administrative agent under the Debtors' prepetition term loan facility and counsel thereto; (e) the administrative agent under the Debtors' prepetition real estate loan and counsel thereto; (f) the Taxing Authorities; (g) the United States Attorney's Office for the Southern District of Texas; (h) the Internal Revenue Service; (i) the United States Securities and Exchange Commission; (j) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (k) the state attorneys general for states in which the Debtors conduct business; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

27. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter the Order, granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Houston, Texas
July 20, 2020

/s/ Paul D. Moak

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Proposed Co-Counsel to the Debtors and Debtors in Possession

Certificate of Service

I certify that on July 20, 2020, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Paul D. Moak
Paul D. Moak

Exhibit A

Taxing Authorities

Taxing Authorities

Taxing Authority	Type	Address
ADEQ	Other Taxes	1110 W. Washington St., Phoenix, AZ 85007
Alabama Department of Public Health	Other Taxes	The RSA Tower, 201 Monroe Street, Montgomery, AL 36104
Alberta Boilers Safety Association	Other Taxes	9410 20th Avenue NW, Edmonton, Alberta T6N 0A4, Canada
Arcadia, LA	Sales and Use Taxes	P.O. Box 746, Arcadia, LA 71001
Arkansas Department of Environmental Quality	Other Taxes	5301 Northshore Drive North, Little Rock, AR 72118-5317
Arkansas Department of Health	Other Taxes	4815 W Markham St., Little Rock, AR 72205
Arkansas EPA	Other Taxes	5301 Northshore Drive North, Little Rock, AR 72118-5317
Bexar County, TX	Property Taxes	PO Box 839946 San Antonio TX 78283-3946
Bienville Parish, LA	Sales and Use Taxes	P.O. Box 746, Arcadia, LA 71001
Bossier Parish, LA	Sales and Use Taxes	P.O. Box 71313, Bossier City, LA 71171
Bossier Parish, LA	Property Taxes	204 Burt Blvd. PO Box 325, Benton, LA 71006
Brazos County, TX	Property Taxes	4051 Pendleton Dr, Bryan, TX, 77802
Caddo Parish, LA	Property Taxes	501 Texas St, Rm 102, Shreveport, LA 71101
California USEPA	Other Taxes	US EPA Pacific Southwest, Region 9, 75 Hawthorne St., San Francisco, CA 94105
Canada Revenue Agency	Sales and Use Taxes	Canada Revenue Agency Tax Centre, 9755 King George Highway, Surrey, BC V3T 5E6
Canadian County, OK	Property Taxes	200 N Choctaw Ave, El Reno, OK 73036
CANUTEC/Transport Canada	Other Taxes	330 Sparks St., Place de Ville, Tower C, 14th floor, Suite 1415, Ottawa ON K1A 0N5, Canada

CANUTEC/Transport Canada (Canadian Transport Emergency Centre)	Other Taxes	330 Sparks St., Place de Ville, Tower C, 14th floor, Suite 1415, Ottawa ON K1A 0N5, Canada
Carthage, TX	Sales and Use Taxes	110 S. Sycamore, Carthage, TX 75633
CDPHE	Other Taxes	4300 Cherry Creek Drive South, Denver, CO 80246
City of San Antonio	Other Taxes	1901 South Alamo Street, San Antonio, TX 78204
Clinton County, PA	Property Taxes	2 Piper Way Ste 240, Lockhaven, PA 17745
CNSC	Other Taxes	280 Slater Street, P.O. Box 1046, Station B, Ottawa, ON K1P 5S9 Canada
CNSC (Canadian Nuclear Safety Commission)	Other Taxes	280 Slater Street, P.O. Box 1046, Station B, Ottawa, ON K1P 5S9 Canada
Colorado Department of Public Health & Environment	Other Taxes	4300 Cherry Creek Drive South, Denver, CO 80246-1530
Colorado DPHE	Other Taxes	4300 Cherry Creek Drive South, Denver, CO 80246-1530
Colorado EPA	Other Taxes	1595 Wynkoop Street, Denver, CO 80202-1129
Colorado Public Utilities Commission	Other Taxes	1560 Broadway #250, Denver, CO 80202
Converse County, WY	Sales and Use Taxes	107 N 5th Street Suite 126, Douglas, WY 82633
County of Grand Prairie No. 1	Property Taxes	10001-84 Avenue Clairmont, AB T8X 5B2
Daggett County, UT	Sales and Use Taxes	95 North 1st West PO Box 219, Manila, UT 84046
Dallas County, TX	Property Taxes	PO Box 560368, Dallas, TX 75356
De Soto Parish, LA	Sales and Use Taxes	212 Adams St., Mansfield, LA 71052
Denton County, TX	Property Taxes	PO Box 50764, Denton, TX 76206

Denver County, CO	Property Taxes	201 W. Colfax Ave. Dept 406, Denver CO 80202
Department of Toxic Substances Control	Other Taxes	1001 I Street, Sacramento, CA 95814-2828
DeSoto Parish, LA	Property Taxes	212 Adams St., Mansfield, LA 71052
Dickinson, ND	Sales and Use Taxes	PO Box 130, Dickinson, ND 58602
Ector County Hospital District, TX	Sales and Use Taxes	1301 E. 8th St., Odessa, TX 79761
Ector County, TX	Property Taxes	1301 E. 8th St., Odessa, TX 79761
EPA/CDPHE	Other Taxes	4300 Cherry Creek Drive South, Denver, CO 80246-1530
Erath County, TX	Property Taxes	100 W Washington, Stephenville, TX 76401
Fort Bend County, TX	Property Taxes	2801 B. F. Terry Blvd, Rosenberg, TX 77471
Garfield County, CO	Sales and Use Taxes	109 8th St., Ste 207, Glenwood Springs, CO 81601
GHD Services Inc.	Other Taxes	4080 Plaza Goldorado Circle, Suite B, Cameron Park, CA 95682
Greenwood, LA	Property Taxes	9381 Greenwood Road, Greenwood LA 71033
Harris Co Emergency Services District No.15, TX	Sales and Use Taxes	PO Box 922007, Houston, TX 77292
Harris County, TX	Property Taxes	PO Box 922007, Houston, TX 77292
Harrison County, WV	Property Taxes	301 W Main St, Clarksburg, WV 26301
Hood County, TX	Property Taxes	1902 W Pearl St, PO Box 819, Granbury, TX 76048
Houston Mta Transit, TX	Sales and Use Taxes	P.O. Box 3746, Houston, Texas 77253
Hunt County, TX	Property Taxes	PO Box 1339, Greenville, TX 75403

Innovation, Science and Economic Development Canada	Other Taxes	C.D. Howe Building, 235 Queen Street, Ottawa, Ontario K1A 0H5 Canada
Internal Revenue Service	Other Taxes	PO Box 804525 Cincinnati, OH 45280
Jefferson Davis Parish, LA	Sales and Use Taxes	P.O. Box 1161, Jennings, LA 70546
Kansas Department of Health and Environment	Other Taxes	Curtis State Office Building, 1000 SW Jackson St, Topeka, KS 66612
Kansas Department of Health and Environment, Bureau of Waste Management	Other Taxes	1000 SW Jackson, Suite 320. Topeka, KS 66612-1366
LADEQ	Other Taxes	Galvez Building, 602 North Fifth Street, Baton Rouge, LA 70802
Lafayette Parish, LA	Property Taxes	PO Box 3225, Lafayette, LA 70502
Laramie County, WY	Property Taxes	PO Box 307, Cheyenne, WY 82003
LDEQ	Other Taxes	Galvez Building, 602 North Fifth Street, Baton Rouge, LA 70802
Lea County, NM	Property Taxes	100 N Main Ave, Ste 2, Lovington, NM 88260
Liberty County, TX	Sales and Use Taxes	2030 Sam Houston, PO Box 10016, Liberty, TX 77575
Liberty, TX	Property Taxes	2030 Sam Houston, PO Box 10016, Liberty, TX 77575
Lincoln Parish, LA	Property Taxes	PO Box 1218, Ruston, LA 71273
Los Angeles County, CA	Property Taxes	1190 Durfee Avenue, South El Monte, CA 91733
Louisiana Department of Environmental Quality	Other Taxes	Galvez Building, 602 North Fifth Street, Baton Rouge, LA 70802
Marshall, TX	Sales and Use Taxes	200 W Houston St # 108, Marshall, TX 75670
Medina County, TX	Property Taxes	1410 Avenue K, Hondo, TX 78861

Mesquite County, TX	Property Taxes	757 N Galloway Ave, Mesquite, TX 75149
MHA DOT	Other Taxes	BIA 2, HWY 23, New Town, ND 58763
Midland County, TX	Property Taxes	PO Box 908002, Midland, TX 79708
Mississippi State Dept. of Health	Other Taxes	570 East Woodrow Wilson Drive • Jackson, MS 39216
Nacogdoches County Hospital, TX	Sales and Use Taxes	216 W. Hospital St. Nachogdoches, TX 75961
Natchitoches Parish, LA	Sales and Use Taxes	313 Second Street, P.O. Box 639, Natchitoches, LA 71458
ND Department of Health	Other Taxes	600 E Boulevard Ave, Bismarck, ND 58505
NDDEQ	Other Taxes	918 East Divide Avenue, Bismarck, ND 58501-1947
New Mexico Environment Department	Other Taxes	1190 St. Francis Drive, Ste. N4050, PO Box 5469, Santa Fe, NM 87505
New Mexico Environmental Department	Other Taxes	1190 St. Francis Drive, Ste. N4050, PO Box 5469, Santa Fe, NM 87505
New Mexico EPA	Other Taxes	2905 Rodeo Park Drive East, Building 1, Santa Fe, 87505
North Dakota Department of Environmental Quality	Other Taxes	918 East Divide Avenue, Bismarck, ND 58501-1947
North Dakota Department of Health	Other Taxes	600 E Boulevard Ave, Bismarck, ND 58505
North Dakota Department of Waste	Other Taxes	918 E. Divide Ave, 3rd Floor, Bismarck, ND 58501
North Dakota EPA	Other Taxes	918 E. Divide Ave, 3rd Floor, Bismarck, ND 58501
Nuclear Regulatory Comission	Other Taxes	U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001
Odessa, TX	Sales and Use Taxes	1301 E. 8th St., Odessa, TX 79761
OH EPA	Other Taxes	50 West Town Street, Ste. 700, Columbus OH 43215

Ohio Department of Health	Other Taxes	246 N High St, Columbus, OH 43215
Ohio Dept of Taxation	Other Taxes	30 E. Broad St., Columbus, OH 43215
Ohio Environmental Protection Agency	Other Taxes	50 West Town Street, Ste. 700, Columbus OH 43215
OHIO EPA	Other Taxes	50 West Town Street, Ste. 700, Columbus OH 43215
OK DPS	Other Taxes	3600 North Martin Luther King Avenue Oklahoma City, OK 73111
Oklahoma City, OK	Sales and Use Taxes	320 Robert S Kerr Ave, Ste. 313, Oklahoma City, OK 73102
Oklahoma Corporate Commission	Other Taxes	2101 N Lincoln Blvd #129, Oklahoma City, OK 73105
Oklahoma County, OK	Property Taxes	Oklahoma County Annex Building, 320 Robert S. Kerr Avenue, Room 307, Oklahoma City, OK 73102
Oklahoma Department of Environmental Protection	Other Taxes	707 N. Robinson, PO Box 1677, Oklahoma City, OK 73101-1677
Oklahoma Department of Environmental Quality	Other Taxes	707 N. Robinson, PO Box 1677, Oklahoma City, OK 73101-1677
Oklahoma DEQ	Other Taxes	707 N. Robinson, PO Box 1677, Oklahoma City, OK 73101-1677
Oklahoma EPA	Other Taxes	3105 E Skelly Dr., Suite 200, Tulsa, OK 74105
PA Dept. of Environmental Protection Bureau of Clean Water	Other Taxes	Rachel Carson State Office Bldg., 400 Market Street, Harrisburg, PA 17101
PA DEQ	Other Taxes	Rachel Carson State Office Bldg., 400 Market Street, Harrisburg, PA 17101
Pecos, TX	Sales and Use Taxes	100 E 4th St #104, Pecos, TX 79772
Pennsylvania Department of Environmental Protection	Other Taxes	Rachel Carson State Office Bldg., 400 Market Street, Harrisburg, PA 17101
Pennsylvania Department of Environmental Quality	Other Taxes	Rachel Carson State Office Bldg., 400 Market Street, Harrisburg, PA 17101
Pennsylvania EPA	Other Taxes	Rachel Carson State Office Bldg., 400 Market Street, Harrisburg, PA 17101

PENNSYLVANIA HAZARDOUS MATERIAL RES	Other Taxes	1310 Elmerton Ave, Harrisburg, PA 17110
Pipeline and Hazardous Materials Safety Administration	Other Taxes	U.S. Department of Transportation, 1200 New Jersey Avenue, SE, Washington, DC 20590
Province of British Columbia	Other Taxes	PO Box 9250 STN PROV GOVT, Victoria BC V8W 9J2, Canada
PTMAA (Petroleum Tank Management Association Of Alberta)	Other Taxes	Canadian Western Bank Place, 10303 Jasper Ave, Edmonton, AB T5J 3N6, Canada
Public Service Commission of West Virginia	Other Taxes	201 Brooks Street, Charleston, WV 25301
Railroad Commission Of Texas	Other Taxes	1701 N. Congress, Austin, Texas 78701
Reeves County Hospital District, TX	Sales and Use Taxes	2323 Texas St., Pecos, TX 79772
Rifle City, CO	Property Taxes	201 W Colfax Ave, Dept 406, 80202
Rio Blanco County, CO	Sales and Use Taxes	555 Main St, Meeker, Co 81641
San Antonio Atd Transit, TX	Sales and Use Taxes	PO Box 839946, San Antonio, TX 78283
San Antonio Mta Transit, TX	Sales and Use Taxes	1410 Avenue K, Hondo, TX 78861
San Antonio, TX	Sales and Use Taxes	1410 Avenue K, Hondo, TX 78861
San Augustine County, TX	Sales and Use Taxes	100 W Columbia, Room 102, San Augustine, TX 75972
San Juan County, UT	Sales and Use Taxes	P. O. Box 787, Monticello, Utah 84535
Seward County, KS	Property Taxes	515 N Washington Ave, Ste. 104, Liberal, KS 67901
Shreveport, LA	Sales and Use Taxes	P.O. Box 104, Shreveport, LA 71161
South Coast Air Quality Management District	Other Taxes	21865 Copley Dr., Diamond Bar, CA 91765

Stark County, ND	Property Taxes	PO Box 130, Dickinson, ND 58602
Stark County, OH	Property Taxes	P.O. Box 24815, Canton, OH 44701
State of California	Other Taxes	California Dept. of Tax & Fee Administration, P.O. Box 942879, Sacramento, CA 94279
State of Colorado	Sales and Use Taxes	1375 Sherman Street, Denver, CO 80261
State of Louisiana	Sales and Use Taxes	Post Office Box 4018, Baton Rouge, LA 70821
State of Louisiana	Other Taxes	Dept. of Revenue, 617 N 3rd St, Baton Rouge, LA 70802
State of Mississippi	Sales and Use Taxes	P.O. Box 960, Jackson, MS 39205
State of New Mexico	Sales and Use Taxes	P.O. Box 25128, Santa Fe, NM 87504
State of North Dakota	Sales and Use Taxes	600 East Boulevard Ave. Dept. 127, Bismarck, ND 58505
State of Oklahoma	Sales and Use Taxes	Box 26850, Oklahoma City, OK 73126
State of Oklahoma	Other Taxes	Tax Commission, 2501 North Lincoln Blvd., Oklahoma City, OK 73194
State of Texas	Sales and Use Taxes	P.O. Box 149361, Austin, TX 78714
State of Utah	Sales and Use Taxes	210 N 1950 W., Salt Lake City, UT 84134
State of Wyoming	Sales and Use Taxes	Herschler Building, 122 W 25th St. E301, Cheyenne, WY 82002
STATE WATER RESOURCES CONTROL BOARD	Other Taxes	1001 I St, Sacramento, CA 95814
Tarrant County, TX	Property Taxes	2500 Handley-Ederville Road, Fort Worth 76118
TCEQ	Other Taxes	12100 Park 35 Circle, Austin, TX 78753
Texas Commission on Environmental Quality	Other Taxes	P.O. Box 13087, Mail Code - TCEQ, Austin, TX 78711-3087

Texas Comptroller of Public Accounts	Sales and Use Taxes/ Other Taxes	P.O. Box 149361, Austin, TX 78714
Texas Department of Health Services	Other Taxes	1100 West 49th Street, Austin, TX 78756-3199
Texas Department of Public Safety	Other Taxes	5805 North Lamar Blvd., Austin, TX 78752-4431
TEXAS DEPT OF LICENSING & REGULATION	Other Taxes	920 Colorado St, Austin, TX 78701
Texas EPA	Other Taxes	1201 Elm Street, Suite 500, Dallas, Texas 75270-2102
The City of Red Deer	Property Taxes	Box 5008, 4914 48 Avenue Red Deer, AB T4N 3T4
Tomball, TX	Property Taxes	4051 Pendleton Dr, Bryan, TX, 77802
Travis County, TX	Property Taxes	P.O. Box 141864, Austin, TX 78714
Unified Carrier Board of Directors	Other Taxes	Federal Motor Carrier Safety Administration, 1200 NEW JERSEY AVENUE, SE, WASHINGTON, DC 20590
Union Parish, LA	Sales and Use Taxes	P.O. Box 903, Ruston, LA 71273-0903
Weld County, CO	Property Taxes	1400 N 17th Ave. Greeley, CO 80631
Wetzel County, WV	Property Taxes	PO Box 7, New Martinsville, WV 26155
White County, AR	Property Taxes	119 W. Arch Ave. Searcy, AR 72143
WVDEP	Other Taxes	601 57th Street, Charleston, WV 25304
WYDEQ	Other Taxes	200 West 17th Street, Cheyenne, WY 82002
Wyoming Department of Environmental Quality	Other Taxes	200 West 17th Street, Cheyenne, WY 82002
Wyoming EPA	Other Taxes	200 West 17th Street, Cheyenne, WY 82002

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Joint Administration Requested)
	)	**Re: Docket No. __**

ORDER (I) AUTHORIZING THE PAYMENT OF CERTAIN PREPETITION TAXES AND FEES AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"): (a) authorizing the Debtors to remit and pay (or use tax credits to offset) Taxes and Fees; and (b) granting related relief, all 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 this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Debtors are authorized to pay or remit (or use tax credits to offset) the Taxes and Fees in the ordinary course of business, without regard to whether such obligations accrued or arose before or after the Petition Date, in each case, solely to the extent that such Taxes and Fees become payable in accordance with applicable law for the first six months after the Petition Date and subject to the terms of the Cash Collateral Orders (as defined herein), including the Budget (as defined in the Cash Collateral Orders). To the extent the Debtors have overpaid any Taxes and Fees, the Debtors are authorized to seek a refund or credit.

2. The Debtors shall maintain a matrix/schedule of payments made pursuant to this Order, including the following information: (a) the names of the payee; (b) the nature of the payment; (c) the amount of the payment; (d) the category or type of payment; (e) the Debtor or Debtors that made the payment; (f) the payment date; and (g) the purpose of such payment. The Debtors shall provide a copy of such matrix/schedule to the U.S. Trustee, counsel to the administrative agent under the Debtors' asset-based revolving credit facility, and any statutory committee appointed in these chapter 11 cases every 30 days beginning upon entry of this Order.

3. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Order shall create any rights in favor of, or enhance the status of any claim held by, any of the Authorities.

4. Notwithstanding anything else contained herein, (a) any relief granted herein, including any payment to be made or authorization contained hereunder, shall be subject in all respects to the terms and conditions of, including all requirements imposed upon the Debtors under, any interim or final order of the Court in these chapter 11 cases authorizing the use of cash collateral (as may be modified, amended, or supplemented, the "Cash Collateral Orders") (including, without limitation, the budget required in connection therewith) and the Prepetition ABL Loan Documents (as defined in the Cash Collateral Orders) approved therein and (b) to the extent there is any inconsistency between the terms and conditions of such Cash Collateral Orders or Prepetition ABL Loan Documents and any action taken or proposed to be taken hereunder, the terms and conditions of such Cash Collateral Orders shall govern.

5. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law,

statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

7. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

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

9. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

10. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

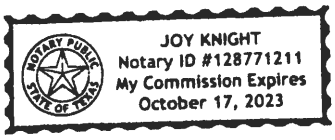
11. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2020
Houston, Texas

HON. MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 12

THIS IS **EXHIBIT "12"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

ENTERED
07/29/2020

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 10**

ORDER (I) AUTHORIZING THE PAYMENT OF CERTAIN PREPETITION TAXES AND FEES AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"): (a) authorizing the Debtors to remit and pay (or use tax credits to offset) Taxes and Fees; and (b) granting related relief, all 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 this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Debtors are authorized to pay or remit (or use tax credits to offset) the Taxes and Fees in the ordinary course of business, without regard to whether such obligations accrued or arose before or after the Petition Date, in each case, solely to the extent that such Taxes and Fees become payable in accordance with applicable law for the first six months after the Petition Date and subject to the terms of the Cash Collateral Orders (as defined herein), including the Budget (as defined in the Cash Collateral Orders). To the extent the Debtors have overpaid any Taxes and Fees, the Debtors are authorized to seek a refund or credit.

2. The Debtors shall maintain a matrix/schedule of payments made pursuant to this Order, including the following information: (a) the names of the payee; (b) the nature of the payment; (c) the amount of the payment; (d) the category or type of payment; (e) the Debtor or Debtors that made the payment; (f) the payment date; and (g) the purpose of such payment. The Debtors shall provide a copy of such matrix/schedule to the U.S. Trustee, counsel to the administrative agent under the Debtors' asset-based revolving credit facility, and any statutory committee appointed in these chapter 11 cases every 30 days beginning upon entry of this Order.

3. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Order shall create any rights in favor of, or enhance the status of any claim held by, any of the Authorities.

4. Notwithstanding anything else contained herein, (a) any relief granted herein, including any payment to be made or authorization contained hereunder, shall be subject in all respects to the terms and conditions of, including all requirements imposed upon the Debtors under, any interim or final order of the Court in these chapter 11 cases authorizing the use of cash collateral (as may be modified, amended, or supplemented, the "Cash Collateral Orders") (including, without limitation, the budget required in connection therewith) and the Prepetition ABL Loan Documents (as defined in the Cash Collateral Orders) approved therein and (b) to the extent there is any inconsistency between the terms and conditions of such Cash Collateral Orders or Prepetition ABL Loan Documents and any action taken or proposed to be taken hereunder, the terms and conditions of such Cash Collateral Orders shall govern.

5. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law,

statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

7. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

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

9. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

10. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

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

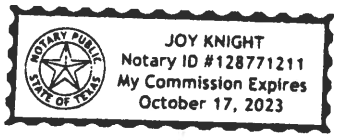
Signed: July 29, 2020

Marvin Isgur
United States Bankruptcy Judge

EXHIBIT 13

THIS IS **EXHIBIT "13"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020

A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS



Court File No. CV-19- 625200-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	FRIDAY, THE 9TH
	)	
JUSTICE HAINEY	)	DAY OF AUGUST, 2019

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF JACK COOPER VENTURES, INC., JACK COOPER DIVERSIFIED, LLC, JACK COOPER ENTERPRISES, INC., JACK COOPER HOLDINGS CORP., JACK COOPER TRANSPORT COMPANY, INC., AUTO HANDLING CORPORATION, CTEMS, LLC, JACK COOPER LOGISTICS, LLC, AUTO & BOAT RELOCATION SERVICES, LLC, AXIS LOGISTIC SERVICES, INC., JACK COOPER CT SERVICES, INC., JACK COOPER RAIL AND SHUTTLE, INC., JACK COOPER INVESTMENTS, INC., NORTH AMERICAN AUTO TRANSPORTATION CORP., JACK COOPER TRANSPORT CANADA, INC., JACK COOPER CANADA GP 1 INC., JACK COOPER CANADA GP 2 INC., JACK COOPER CANADA 1 LIMITED PARTNERSHIP, AND JACK COOPER CANADA 2 LIMITED PARTNERSHIP

APPLICATION OF JACK COOPER VENTURES, INC. UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED

SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by Jack Cooper Ventures, Inc. in its capacity as the foreign representative (the "**Foreign Representative**") of Jack Cooper Ventures, Inc., Jack Cooper Diversified, LLC, Jack Cooper Enterprises, Inc., Jack Cooper Holdings Corp., Jack Cooper Transport Company, Inc., Auto Handling Corporation, Ctems, LLC, Jack Cooper Logistics, LLC, Auto & Boat Relocation Services, LLC, Axis Logistic Services, Inc., Jack Cooper CT Services, Inc., Jack Cooper Rail and Shuttle, Inc., Jack Cooper Investments, Inc., North American Auto Transportation Corp., Jack Cooper Transport Canada, Inc., Jack Cooper Canada GP 1 Inc., Jack Cooper Canada GP 2 Inc., Jack Cooper Canada 1 Limited Partnership,

and Jack Cooper Canada 2 Limited Partnership (collectively, the "**Chapter 11 Debtors**" and each, a "**Chapter 11 Debtor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Greg R. May, Executive Vice President and Chief Administrative Officer of the Foreign Representative sworn August 8, 2019 (the "**May Affidavit**"), filed, the affidavit of Waleed Malik affirmed August 8, 2019 (the "**Malik Affidavit**"), filed, the pre-filing report of Alvarez & Marsal Canada Inc., in its capacity as proposed Information Officer (as defined herein) dated August 9, 2019 (the "**Pre-Filing Report**"), and upon being provided with copies of the documents required by section 46 of the CCAA,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the proposed Information Officer, counsel for the ABL Agent and the DIP ABL Agent, the DIP Term Loan Agent, and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Waleed Malik sworn August 9, 2019:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

INITIAL RECOGNITION ORDER

2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined have the meaning given to them in the May Affidavit.

3. **THIS COURT ORDERS** that the provisions of this Order shall be interpreted in a manner complementary and supplementary to the provisions of the Initial Recognition Order (Foreign Main Proceeding) dated as of August 8, 2019 (the "**Recognition Order**"), provided that

in the event of a conflict between the provisions of this Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. **THIS COURT ORDERS** that the following orders (collectively, the "**Foreign Orders**") of the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division (the "**U.S. Bankruptcy Court**") made in the Foreign Proceeding (as defined in the Recognition Order) are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

(a) *Order (A) Authorizing Jack Cooper Ventures, Inc. to Act as Foreign Representative and (B) Granting Related Relief* (the "**Foreign Representative Order**");

(b) *Order Directing Joint Administration of Chapter 11 Cases and Granting Related Relief* (the "**Joint Administration Order**");

(c) *Interim Order (I) Authorizing the Debtors to (A) Continue Using the Cash Management System and (B) Maintain Existing Bank Accounts and Business Forms, (II) Authorizing Continued Intercompany Transactions, (III) Granting Administrative Expense Status, and (IV) Granting Relate Relief* (the "**Interim Cash Management Order**");

(d) *Interim Order (I) Authorizing the Debtors to Pay Certain Prepetition Claims of Critical Vendors and foreign Vendors, and (II) Granting Related Relief* (the "**Interim Critical Vendors Order**");

(e) *Interim Order Pursuant to U.S.C. §§ 105, 361, 362, 363, 364, 503, 507 (I) Authorizing the Debtors to Obtain Senior and Junior Secured Priming Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Administrative Expense Claims and (B) Adequate Protection to Certain Prepetition Lenders; (III) Authorizing Use of Cash Collateral; (IV) Modifying the*

Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief (the "**Interim DIP Order**")

(f) *Interim Order Authorizing the Debtors to (I) Continue Insurance Coverage Entered Into Prepetition and Satisfy Prepetition Obligations Related Thereto, (II) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, (III) Honor the Terms of the Premium Financing Agreements and Pay Premiums Thereunder, (IV) Enter into New Premium Financing Agreements in the Ordinary Course of Business, and (V) Granting Related Relief* (the "**Insurance Order**");

(g) *Interim Order Authorizing the Debtors to (I) Pay Certain Prepetition Wages, Salaries, other Compensation, and Reimbursable Employee Expenses and (II) Continue Employee Benefits* (the "**Interim Employee Wages Order**");

(h) *Interim Order Authorizing (I) the Debtors to Continue and Renew the Surety Bond Program and (II) Granting Related Relief* (the "**Surety Bond Order**");

(i) *Interim Order Authorizing the Payment of Certain Prepetition Taxes and Fees* (the "**Taxes and Fees Order**"); and

(j) *Interim Order (I) Authorizing the Debtors to Continue Customer Programs and Honor Certain Prepetition Obligations Related Thereto, and (II) Granting Related Relief* (the "**Customer Programs Order**")

(copies of each such Foreign Orders are attached as Schedules "A" to "J" hereto);

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.

APPOINTMENT OF INFORMATION OFFICER

5. **THIS COURT ORDERS** that Alvarez & Marsal Canada Inc. (the "**Information Officer**") is hereby appointed as an officer of this Court, with the powers and duties set out herein.

NO PROCEEDINGS AGAINST THE CHAPTER 11 DEBTORS OR THE PROPERTY

6. **THIS COURT ORDERS** that from the date of the Recognition Order until such date as this Court may order (the "**Stay Period**") no proceeding or enforcement process in any court or tribunal in Canada (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Chapter 11 Debtors or affecting their business (the "**Business**") or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Chapter 11 Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. **THIS COURT ORDERS** that, without limiting the stay of proceedings provided for in the Recognition Order, during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Chapter 11 Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (a) prevent the assertion of or the exercise of rights and remedies outside of Canada, (b) empower any of the Chapter 11 Debtors to carry on any business in Canada which that Chapter 11 Debtor is not lawfully entitled to carry on, (c) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (d) prevent the filing of any registration to preserve or perfect a security interest, or (e) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Chapter 11 Debtors and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Chapter 11 Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Chapter 11 Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Chapter 11 Debtors, and that the Chapter 11 Debtors shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

10. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Chapter 11 Debtors with respect to any claim against the directors or officers that arose before the date of the Recognition Order and that relates to any obligations of the Chapter 11 Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

11. **THIS COURT ORDERS** that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, including with respect to holding the Load Broker Trust (as defined below) as set out in paragraph 19 hereof, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. **THIS COURT ORDERS** that the Information Officer:

(a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;

(b) shall report to this Court periodically with respect to the status of these proceedings and the status of the Foreign Proceeding, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;

(c) in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;

(d) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Chapter 11 Debtors, to the extent that is necessary to perform its duties arising under this Order; and

(e) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. **THIS COURT ORDERS** that the Chapter 11 Debtors and the Foreign Representative shall (a) advise the Information Officer of all material steps taken by the Chapter 11 Debtors or the Foreign Representative in these proceedings or in the Foreign Proceeding, (b) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (c) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. **THIS COURT ORDERS** that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. **THIS COURT ORDERS** that the Information Officer (a) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (b) may post on its website any other materials that the Information Officer deems appropriate.

16. **THIS COURT ORDERS** that the Information Officer may provide any creditor of a Chapter 11 Debtor with information provided by the Chapter 11 Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Chapter 11 Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and the relevant Chapter 11 Debtors may agree.

17. **THIS COURT ORDERS** that counsel to the Canadian Chapter 11 Debtors, the Information Officer and counsel to the Information Officer shall be paid by the Chapter 11 Debtors their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The Chapter 11 Debtors are hereby authorized and directed to pay the accounts of counsel to the Canadian Chapter 11 Debtors, the Information Officer and counsel to the Information Officer.

18. **THIS COURT ORDERS** that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

19. **THIS COURT ORDERS** that Jack Cooper Transport Canada Inc. shall deposit CDN$500,000 with the Information Officer to be held in trust for the benefit of the Load Broker Parties as security for the payment of amounts due and accruing to them in the ordinary course of business following the Petition Date (the "**Load Broker Trust**"). The Information Officer is authorized and directed to hold the Load Broker Trust pending further Order of the Court.

20. **THIS COURT ORDERS** that counsel to the Canadian Chapter 11 Debtors, the Information Officer and counsel to the Information Officer shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property in Canada, which charge shall not exceed an aggregate amount of CDN$500,000 as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 22 through 26 hereof.

INTERIM FINANCING

21. THIS COURT ORDERS that the DIP ABL Agent, for and on behalf of itself and the other lenders under the DIP ABL Facility, shall be entitled to the benefit of and is hereby granted a charge (the "**DIP ABL Charge**") on the Property in Canada, which DIP ABL Charge shall be consistent with the liens and charges created by the Interim DIP Order with respect to the Property in Canada, shall have the priority set out in paragraphs 22 through 27 hereof, and further provided that the DIP ABL Charge shall not be enforced except with leave of this Court on notice to the Information Officer and those parties on the service list established for these proceedings.

22. THIS COURT ORDERS that the DIP Term Loan Agent, for and on behalf of itself and the other lenders under the DIP Term Loan Facility, shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Term Loan Charge**") on the Property in Canada, which DIP Term Loan Charge shall be consistent with the liens and charges created by the Interim DIP Order with respect to the Property in Canada, shall have the priority set out in paragraphs 22 through 27 hereof, and further provided that the DIP Term Loan Charge shall not be enforced except with leave of this Court on notice to the Information Officer and those parties on the service list established for these proceedings.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

23. THIS COURT ORDERS that the priorities of the Administration Charge, the DIP ABL Charge and the DIP Term Loan Charge (collectively, the "**Charges**"), as among them, shall be as follows:

(a) First – Administration Charge (to the maximum amount of CDN$500,000);

(b) Second – DIP ABL Charge; and

(c) Third – DIP Term Loan Charge.

24. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

25. **THIS COURT ORDERS** that the Charges (as constituted and defined herein) shall constitute a charge on the Property in Canada and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

26. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Chapter 11 Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Charges, unless the Chapter 11 Debtors also obtain the prior written consent of the Information Officer the DIP ABL Agent and the DIP Term Loan Agent.

27. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (c)

the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any Chapter 11 Debtor, and notwithstanding any provision to the contrary in any Agreement:

(i) the creation of the Charges shall not create or be deemed to constitute a breach by a Chapter 11 Debtor of any Agreement to which it is a party;

(ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(iii) the payments made by the Chapter 11 Debtors to the Chargees pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

28. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Chapter 11 Debtors' interest in such real property leases.

SERVICE AND NOTICE

29. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.alvarezandmarsal.com/JackCooperCanada.

30. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Chapter 11 Debtors, the Foreign Representative and the Information Officer are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Chapter 11 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the applicable Chapter 11 Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

31. **THIS COURT ORDERS** that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

32. **THIS COURT ORDERS** that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any Chapter 11 Debtor, the Business or the Property.

33. **THIS COURT ORDERS** that within five (5) business days from the date of this Order, or as soon as practicable thereafter, the Information Officer shall cause to be published a notice once a week for two consecutive weeks, in the Globe and Mail (National Edition) regarding the issuance of this Order and the Recognition Order.

34. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative and the Information Officer, the latter as an officer of this

Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order.

35. **THIS COURT ORDERS** that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

36. **THIS COURT ORDERS** that the Guidelines for Communication and Cooperation between Courts in Cross-Border Insolvency Matters issued by the Judicial Insolvency Network and adopted by this Court and the U.S. Bankruptcy Court and attached as Schedule "K" hereto (the "**JIN Guidelines**"), are hereby adopted by this Court for the purposes of these recognition proceedings.

37. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Chapter 11 Debtors, the Foreign Representative, the Information Officer, the DIP ABL Agent, the DIP Term Loan Agent and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

38. **THIS COURT ORDERS AND DECLARES** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

AUG 09 2019

PER / PAR:

SCHEDULE A - FOREIGN REPRESENTATIVE ORDER

IT IS ORDERED as set forth below:

Date: August 8, 2019

Paul W. Bonapfel

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

Filed in Clerk's Office and a true copy certified this 8th day of Aug, 2019
M. REGINA THOMAS, CLERK
By: Deputy Clerk

In re:	)	Chapter 11
JACK COOPER VENTURES, INC., *et al.*,[1]	)	Case No. 19-62393 (PWB)
Debtors.	)	(Jointly Administrated)

ORDER (I) AUTHORIZING JACK COOPER VENTURES, INC. TO ACT AS FOREIGN REPRESENTATIVE, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), (a) authorizing Jack Cooper Ventures, Inc. ("Jack Cooper") to act as foreign representative on behalf of the Debtors' estates

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Jack Cooper Ventures, Inc. (0805); Jack Cooper Diversified, LLC (9414); Jack Cooper Enterprises, Inc. (3001); Jack Cooper Holdings Corp. (2446); Jack Cooper Transport Company, Inc. (3030); Auto Handling Corporation (4011); CTEMS, LLC (7725); Jack Cooper Logistics, LLC (3433); Auto & Boat Relocation Services, LLC (9095); Axis Logistic Services, Inc. (2904); Jack Cooper CT Services, Inc. (3523); Jack Cooper Rail and Shuttle, Inc. (7801); Jack Cooper Investments, Inc. (6894); North American Auto Transportation Corp. (8293); Jack Cooper Transport Canada Inc. (8666); Jack Cooper Canada GP 1 Inc. (7030); Jack Cooper Canada GP 2 Inc. (2373); Jack Cooper Canada 1 Limited Partnership (3439); and Jack Cooper Canada 2 Limited Partnership (7839). The location of the Debtors' corporate headquarters and service address is: 630 Kennesaw Due West Road NW, Kennesaw, Georgia 30152.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth to them in the Motion.

pursuant to section 1505 of the Bankruptcy Code and (b) granting related relief, all 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. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at the hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. Jack Cooper is hereby authorized to act as the Foreign Representative on behalf of the Debtors' estates in connection with the Canadian Proceeding. As Foreign Representative, Jack Cooper shall be authorized and shall have the power to act in any way permitted by applicable foreign law, including (a) seeking recognition of the Debtors' chapter 11 cases in the Canadian Proceeding, (b) requesting that the Canadian Court lend assistance to this Court in protecting the Debtors' property, and (c) seeking any other appropriate relief from the Canadian Court that Jack Cooper deems just and proper in the furtherance of the protection of the Debtors' estates.

3. This Court requests the aid and assistance of the Canadian Court to recognize the Debtors' chapter 11 cases as a "foreign main proceeding" and Jack Cooper as a "foreign representative" pursuant to the CCAA, and to recognize and give full force and effect in all provinces and territories of Canada to this Order.

4. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

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

END OF ORDER

Prepared and presented by:

/s/ Sarah R. Borders
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-and-

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Proposed Counsel for the Debtors in Possession

Filed in Clerk's Office and
a true copy certified this
2nd day of Aug, 2019
M. REGINA THOMAS, CLERK
By: Deputy Clerk

SCHEDULE B - JOINT ADMINISTRATION ORDER

IT IS ORDERED as set forth below:

Date: August 8, 2019

Paul W. Bonapfel

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re: JACK COOPER VENTURES, INC., Debtor. Tax I.D. No. 0805	)	Chapter 11 Case No. 19-62393 (PWB) (Joint Administration Requested)
In re: JACK COOPER DIVERSIFIED, LLC, Debtor. Tax I.D. No. 9414	)	Chapter 11 Case No. 19-62407 (PWB) (Joint Administration Requested)
In re: JACK COOPER ENTERPRISES, INC., Debtor. Tax I.D. No. 3001	)	Chapter 11 Case No. 19-62409 (PWB) (Joint Administration Requested)

In re: JACK COOPER HOLDINGS CORP., Debtor. Tax I.D. No. 2446	)	Chapter 11 Case No. 19-62410 (PWB) (Joint Administration Requested)
In re: JACK COOPER TRANSPORT COMPANY, INC., Debtor. Tax I.D. No. 3030	)	Chapter 11 Case No. 19-62416 (PWB) (Joint Administration Requested)
In re: AUTO HANDLING CORPORATION, Debtor. Tax I.D. No. 4011	)	Chapter 11 Case No. 19-62398 (PWB) (Joint Administration Requested)
In re: CTEMS, LLC, Debtor. Tax I.D. No. 7725	)	Chapter 11 Case No. 19-62400 (PWB) (Joint Administration Requested)

In re:	)	Chapter 11
JACK COOPER LOGISTICS, LLC,	)	Case No. 19-62412 (PWB)
Debtor.	)	(Joint Administration Requested)
Tax I.D. No. 3433	)	
In re:	)	Chapter 11
AUTO & BOAT RELOCATION SERVICES, LLC,	)	Case No. 19-62396 (PWB)
Debtor.	)	(Joint Administration Requested)
Tax I.D. No. 9095	)	
In re:	)	Chapter 11
AXIS LOGISTIC SERVICES, INC.,	)	Case No. 19-62399 (PWB)
Debtor.	)	(Joint Administration Requested)
Tax I.D. No. 2904	)	
In re:	)	Chapter 11
JACK COOPER CT SERVICES, INC.,	)	Case No. 19-62406 (PWB)
Debtor.	)	(Joint Administration Requested)
Tax I.D. No. 3523	)	

In re: JACK COOPER RAIL AND SHUTTLE, INC., Debtor. Tax I.D. No. 7801	)	Chapter 11 Case No. 19-62413 (PWB) (Joint Administration Requested)
In re: JACK COOPER INVESTMENTS, INC., Debtor. Tax I.D. No. 6894	)	Chapter 11 Case No. 19-62411 (PWB) (Joint Administration Requested)
In re: NORTH AMERICAN AUTO TRANSPORTATION CORP., Debtor. Tax I.D. No. 8293	)	Chapter 11 Case No. 19-62417 (PWB) (Joint Administration Requested)
In re: JACK COOPER TRANSPORT CANADA INC., Debtor. Tax I.D. No. 8666	)	Chapter 11 Case No. 19-62415 (PWB) (Joint Administration Requested)

In re: JACK COOPER CANADA GP 1 INC., Debtor. Tax I.D. No. 7030	)	Chapter 11 Case No. 19-62404 (PWB) (Joint Administration Requested)
In re: JACK COOPER CANADA GP 2 INC., Debtor. Tax I.D. No. 2373	)	Chapter 11 Case No. 19-62405 (PWB) (Joint Administration Requested)
In re: JACK COOPER CANADA 1 LIMITED PARTNERSHIP, Debtor. Tax I.D. No. 3439	)	Chapter 11 Case No. 19-62402 (PWB) (Joint Administration Requested)
In re: JACK COOPER CANADA 2 LIMITED PARTNERSHIP, Debtor. Tax I.D. No. 7839	)	Chapter 11 Case No. 19-62403 (PWB) (Joint Administration Requested)

ORDER DIRECTING
JOINT ADMINISTRATION OF CHAPTER 11 CASES

Upon the motion (the "Motion")[1] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order directing the joint administration of the Debtors' related chapter 11 cases, all 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. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors provided adequate notice of the Motion and the opportunity for a hearing under the circumstances; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing")]; and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted to the extent set forth herein.

2. The above-captioned chapter 11 cases are consolidated for procedural purposes only and shall be jointly administered by this Court under Case No. 19-62393 (PWB).

3. The caption of the jointly administered cases should read as follows:

[1] Capitalized terms used but not otherwise defined herein have the meanings set forth in the Motion.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	Chapter 11
JACK COOPER VENTURES, INC., *et al.*,[1][2]	)	Case No. 19-62393 (PWB)
Debtors.	)	(Jointly Administered)

4. The foregoing caption satisfies the requirements set forth in section 342(c)(1) of the Bankruptcy Code.

5. A docket entry, substantially similar to the following, shall be entered on the docket of each of the Debtors other than Jack Cooper Ventures, Inc. to reflect the joint administration of these chapter 11 cases:

> An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing joint administration of the chapter 11 cases of: Jack Cooper Ventures, Inc. (0805); Jack Cooper Diversified, LLC (9414); Jack Cooper Enterprises, Inc. (3001); Jack Cooper Holdings Corp. (2446); Jack Cooper Transport Company, Inc. (3030); Auto Handling Corporation (4011); CTEMS, LLC (7725); Jack Cooper Logistics, LLC (3433); Auto & Boat Relocation Services, LLC (9095); Axis Logistic Services, Inc. (2904); Jack Cooper CT Services, Inc. (3523); Jack Cooper Rail and Shuttle, Inc. (7801); Jack Cooper Investments, Inc. (6894); North American Auto Transportation Corp. (8293); Jack Cooper Transport Canada Inc. (8666); Jack Cooper Canada GP 1 Inc. (7030); Jack Cooper Canada GP 2 Inc.

[2] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Jack Cooper Ventures, Inc. (0805); Jack Cooper Diversified, LLC (9414); Jack Cooper Enterprises, Inc. (3001); Jack Cooper Holdings Corp. (2446); Jack Cooper Transport Company, Inc. (3030); Auto Handling Corporation (4011); CTEMS, LLC (7725); Jack Cooper Logistics, LLC (3433); Auto & Boat Relocation Services, LLC (9095); Axis Logistic Services, Inc. (2904); Jack Cooper CT Services, Inc. (3523); Jack Cooper Rail and Shuttle, Inc. (7801); Jack Cooper Investments, Inc. (6894); North American Auto Transportation Corp. (8293); Jack Cooper Transport Canada Inc. (8666); Jack Cooper Canada GP 1 Inc. (7030); Jack Cooper Canada GP 2 Inc. (2373); Jack Cooper Canada 1 Limited Partnership (3439); and Jack Cooper Canada 2 Limited Partnership (7839). The location of the Debtors' corporate headquarters and service address is: 630 Kennesaw Due West Road NW, Kennesaw, Georgia 30152.

(2373); Jack Cooper Canada 1 Limited Partnership (3439); and Jack Cooper Canada 2 Limited Partnership (7839).

6. One consolidated docket, one file, and one consolidated service list shall be maintained by the Debtors and kept by the Clerk of the Court with the assistance of the notice and claims agent retained by the Debtors in these chapter 11 cases.

7. The Debtors may file their monthly operating reports required by the *Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees*, issued by the U.S. Trustee, by consolidating the information required for each Debtor in one report that tracks and breaks out all of the specific information (*e.g.*, receipts, disbursements, etc.) on a debtor-by-debtor basis in each monthly operating report.

8. Nothing contained in the Motion or this Order shall be deemed or construed as directing or otherwise effecting a substantive consolidation of these chapter 11 cases, and this Order shall be without prejudice to the rights of the Debtors to seek entry of an order substantively consolidating their respective cases.

9. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

10. 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), the Bankruptcy Local Rules for the Northern District of Georgia and the Complex Case Procedures are satisfied by such notice.

11. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

12. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

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

END OF ORDER

Prepared and presented by:

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Proposed Counsel for the Debtors in Possession

SCHEDULE C - INTERIM CASH MANAGEMENT ORDER

IT IS ORDERED as set forth below:

Date: August 8, 2019

Paul W. Bonapfel

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	Chapter 11
JACK COOPER VENTURES, INC., *et al.*,[1]	)	Case No. 19-62393 (PWB)
Debtors.	)	(Jointly Administered)

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE USING THE CASH MANAGEMENT SYSTEM, AND (B) MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS, (II) AUTHORIZING CONTINUED INTERCOMPANY TRANSACTIONS, (III) GRANTING ADMINISTRATIVE EXPENSE STATUS TO INTERCOMPANY CLAIMS, AND (IV) GRANTING RELATED RELIEF

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Jack Cooper Ventures, Inc. (0805); Jack Cooper Diversified, LLC (9414); Jack Cooper Enterprises, Inc. (3001); Jack Cooper Holdings Corp. (2446); Jack Cooper Transport Company, Inc. (3030); Auto Handling Corporation (4011); CTEMS, LLC (7725); Jack Cooper Logistics, LLC (3433); Auto & Boat Relocation Services, LLC (9095); Axis Logistic Services, Inc. (2904); Jack Cooper CT Services, Inc. (3523); Jack Cooper Rail and Shuttle, Inc. (7801); Jack Cooper Investments, Inc. (6894); North American Auto Transportation Corp. (8293); Jack Cooper Transport Canada Inc. (8666); Jack Cooper Canada GP 1 Inc. (7030); Jack Cooper Canada GP 2 Inc. (2373); Jack Cooper Canada 1 Limited Partnership (3439); and Jack Cooper Canada 2 Limited Partnership (7839). The location of the Debtors' corporate headquarters and service address is: 630 Kennesaw Due West Road NW, Kennesaw, Georgia 30152.

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order") (a) authorizing, but not directing, the Debtors to (i) continue using their Cash Management System and (ii) maintain their Bank Accounts and Business Forms, (b) authorizing, but not directing, the Debtors to continue engaging in the Intercompany Transactions, (c) granting administrative expense priority status to Intercompany Claims, and (d) granting related relief; all 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. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors provided adequate notice of the Motion and the opportunity for a hearing under the circumstances; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

2. The final hearing on the Motion shall be held on August 27, 2019, at 10:00 a.m., prevailing Eastern Time. Any objection to entry of the Final Order attached as **Exhibit B** to the Motion must be filed with the Court and served on the following parties: (i) Jack Cooper Ventures, Inc., 630 Kennesaw Due West Road, Kennesaw, Georgia 30152, Attn.: Theo Ciupitu and Taejin Kim; (ii) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn.: Kelley A. Cornish and Brian S. Hermann and King & Spalding LLP, 1180 Peachtree Street NE, Atlanta, Georgia 30309, Attn.: Sarah R. Borders, Leia Clement Shermohammed, and Britney Baker; (iii) the Office of the United States Trustee for the Northern District of Georgia; (iv) counsel to the Debtors' prepetition secured revolving lenders, Buchalter, P.C., 1000 Wilshire Blvd., 15th Floor, Los Angeles, California 90017, Attn.: Robert J. Davidson and Julian Gurule; (v) counsel to the Debtors' prepetition first lien term loan lenders, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Attn.: Adam Harris; (vi) counsel to the Debtors' prepetition junior lien term loan lenders, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn.: Marc Kieselstein and Alexandra Schwarzman; (vii) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases; and (viii) any party that has requested notice pursuant to Bankruptcy Rule 2002, in each case to allow actual receipt by no later than 4:00 p.m. (prevailing Eastern time) on August 20, 2019.

3. Subject to the limitations of this Interim Order, the Debtors are authorized but not directed to: (a) continue using the Cash Management System and honor any prepetition obligations related to the use thereof, (b) designate, maintain, close, and continue to use on an interim basis any or all of their existing Bank Accounts, including, but not limited to, the Bank

Accounts identified on **Schedule 1** hereto, in the names and with the account numbers existing immediately before the Petition Date, (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, ACH transfers, and other debits, (d) treat their prepetition Bank Accounts for all purposes as debtor in possession accounts, and (e) open new debtor in possession bank accounts; *provided* that the opening of any bank account shall be in accordance with the terms of the Debtors' postpetition financing facility (the "DIP Facility") and the terms of the DIP Order (defined below).

4. The Debtors are authorized, but not directed, to continue using, in their present form, the Business Forms as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date; *provided* that once the existing Business Forms have been used, the Debtors shall, during the pendency of these chapter 11 cases, reorder new Business Forms that include a stamp to reference the Debtors' status as debtors in possession.

5. Except as otherwise provided in this Interim Order and only to the extent sufficient funds are available in each applicable Bank Account, all Banks at which the Bank Accounts are maintained are directed to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course, and to receive, process, honor, and pay any and all checks, drafts, wire transfers, and ACH transfers issued, whether before or after the Petition Date, and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be; *provided* that the Debtors will instruct the Banks as to which checks, drafts, wire transfers (excluding any wire transfers that the Banks are obligated to settle), or other items presented, issued, or drawn, shall not be honored.

6. Except for those checks, drafts, wires, or other ACH transfers that are authorized or required to be honored under an order of the Court, no Debtor shall instruct or request any Bank to pay or honor any check, draft, or other payment item issued on a Bank Account prior to the Petition Date but presented to such Bank for payment after the Petition Date.

7. As soon as practicable after entry of this Interim Order, the Debtors shall serve a copy of this Interim Order on the Banks.

8. The requirement to establish separate accounts for tax payments is hereby waived.

9. The Debtors are authorized, but not directed to: (a) pay undisputed prepetition amounts outstanding as of the Petition Date, if any, owed in the ordinary course to the Banks as service charges for the maintenance of the Cash Management System and (b) reimburse the Banks for any claims arising before or after the Petition Date in connection with customer checks deposited with the Banks that have been dishonored or returned as a result of insufficient funds in the Bank Accounts in the ordinary course of business, to the same extent the Debtors were responsible for such items prior to the Petition Date.

10. The Debtors are authorized, but not directed, to enter into, engage in and perform under the Intercompany Transactions in the ordinary course of business and in compliance with past practices by and amongst the Debtors. The Debtors shall (a) continue to track Intercompany Transactions electronically through their accounting system in accordance with their prepetition practices and (b) provide reasonable access to such records and procedures to the U.S. Trustee and any official committee appointed in these chapter 11 cases.

11. Notwithstanding anything to the contrary contained herein, this Interim Order shall be without prejudice to the rights of the Debtors and all other parties in interest to request

that any modification made to the relief granted in respect of the Intercompany Transactions in the Final Order (including, but not limited to, the granting of additional protections) apply retroactively to the Petition Date, and all such rights shall be preserved in all respects.

12. All allowed Intercompany Claims against a Debtor by another Debtor arising after the Petition Date shall be accorded administrative expense status in accordance with sections 503(b) and 507(a)(2) of the Bankruptcy Code.

13. The Debtors are authorized, but not directed, to setoff mutual postpetition obligations relating to intercompany receivables and payables through the Cash Management System.

14. Subject to applicable bankruptcy or other law, those certain deposit agreements existing between the Debtors and the Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks and, subject to applicable bankruptcy or other law, all of the provisions of such agreements, including the termination, fee provisions, rights, benefits, offset rights and remedies afforded under such agreements shall remain in full force and effect absent further order of the Court or, with respect to any such agreement with any Bank, unless the Debtors and such Bank agree otherwise.

15. Except as otherwise set forth herein, the Debtors and the Banks may, without further order of the Court, agree and implement changes to the Cash Management System and procedures in the ordinary course of business, including the opening and closing of Bank Accounts as set forth in paragraph 3 hereof and to facilitate and effectuate the terms of the DIP Facility and the use of cash collateral upon entry of the DIP Orders.

16. Subject to paragraph 3 of this Interim Order, the Debtors are authorized to open new bank accounts so long as any such new account is with a bank that is (i) insured with the FDIC or the CDIC and (ii) designated as an authorized depository for Region 21 of the U.S. Trustee; *provided, further* that all accounts opened by any of the Debtors on or after the Petition Date at any Bank shall, for purposes of this Interim Order, be deemed a Bank Account as if it had been listed on **Schedule 1** hereof.

17. The Banks are authorized to debit the Debtors' accounts in the ordinary course of business and without further order of the Court on account of all checks drawn on the Debtors' accounts that were cashed at the Banks' counters or exchanged for cashier's or official checks by the payees thereof prior to the Petition Date.

18. Notwithstanding any other provision of this Interim Order, should a Bank honor a prepetition check or other item drawn on any account that is the subject of this Interim Order (a) at the direction of the Debtors to honor such prepetition check or item, (b) in a good faith belief that the Court has authorized such prepetition check or item to be honored, or (c) as the result of an innocent mistake made despite implementation of customary item handling procedures, the Bank shall not be deemed to be nor shall be liable to the Debtors or their estates or otherwise be in violation of this Interim Order.

19. Nothing contained herein shall prevent the Debtors from closing any Bank Accounts as they may deem necessary and appropriate, and, to the extent consistent with any orders of this Court relating thereto, any relevant Bank is authorized to honor the Debtors' requests to close such Bank Accounts.

20. Except as otherwise provided in this Interim Order, the Banks are authorized to charge, and the Debtors are authorized to pay, honor, or allow prepetition and postpetition fees, costs, charges, and expenses, including the Bank Fees, and charge back returned items to the Bank Accounts in the ordinary course.

21. Notwithstanding entry of this Interim Order, nothing herein shall create, or is intended to create, any rights in favor of or enhance the status of any claim held by any party.

22. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, and subject to the administrative status afforded pursuant to paragraph 12 of this Interim Order, nothing contained in the Motion or this Interim Order or any payment made pursuant to this Interim Order shall constitute, nor is it intended to constitute: (i) an admission as to the validity or priority of any claim or lien (or the priority thereof) against the Debtors, (ii) a waiver of the Debtors' or any party in interest's rights to subsequently dispute and/or contest such claim or lien on any grounds, (iii) a promise or requirement to pay any claim, (iv) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion, (v) a request or authorization to assume or adopt any agreement, contract, or lease under section 365 of the Bankruptcy Code or (vi) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or applicable law.

23. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

24. 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), the Bankruptcy Local Rules for the Northern District of Georgia, and the Complex Case Procedures are satisfied by such notice.

25. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

26. Notwithstanding anything to the contrary in this Interim Order, any payment made (or to be made) and any authorization contained in this Interim Order shall be subject to the terms, conditions, limitations, and requirements of the *Interim Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, and 507 (I) Authorizing the Debtors to Obtain Senior and Junior Secured Priming Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Adminstrative Expense Claims and (B) Adequate Protection to Certain Prepetition Lenders; (III) Authorizing the Use of Cash Collateral; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief* or any other order entered in these chapter 11 cases authorizing the use of cash collateral (collectively, and together with any approved budget (including any permitted variances) in connection therewith, the "DIP Order"), and to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken under this Interim Order, the terms of the DIP Order (together with any approved budget (including any permitted variances) in connection therewith) shall control.

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

28. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

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

END OF ORDER

Prepared and presented by:

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Proposed Counsel for the Debtors in Possession

Schedule 1

Debtors' Bank Accounts

DEBTORS' BANK ACCOUNT LIST

ENTITY	ACCOUNT NUMBER (ENDING)	BANK
JACK COOPER TRANSPORT COMPANY, INC.	5975	WELLS FARGO
JACK COOPER TRANSPORT COMPANY, INC.	7106	WELLS FARGO
JACK COOPER TRANSPORT COMPANY, INC.	7205	WELLS FARGO
JACK COOPER TRANSPORT COMPANY, INC.	6849	WELLS FARGO
JACK COOPER TRANSPORT COMPANY, INC.	7100	WELLS FARGO
AUTO HANDLING CORPORATION	6868	WELLS FARGO
NORTH AMERICAN AUTO TRANSPORTATION CORP.	7894	WELLS FARGO
NORTH AMERICAN AUTO TRANSPORTATION CORP.	7886	WELLS FARGO
NORTH AMERICAN AUTO TRANSPORTATION CORP.	9847	WELLS FARGO
NORTH AMERICAN AUTO TRANSPORTATION CORP.	6523	WELLS FARGO
NORTH AMERICAN AUTO TRANSPORTATION CORP.	7832	WELLS FARGO
JACK COOPER LOGISTICS, LLC	2064	WELLS FARGO
JACK COOPER LOGISTICS, LLC	2072	WELLS FARGO
JACK COOPER LOGISTICS, LLC	0488	WELLS FARGO
JACK COOPER RAIL AND SHUTTLE, INC.	5772	WELLS FARGO
JACK COOPER RAIL AND SHUTTLE, INC.	5764	WELLS FARGO
AXIS LOGISTIC SERVICES, INC.	4710	WELLS FARGO
AXIS LOGISTIC SERVICES, INC.	6030	WELLS FARGO
AXIS LOGISTIC SERVICES, INC.	6155	WELLS FARGO
JACK COOPER CT SERVICES, INC.	6055	WELLS FARGO
JACK COOPER CT SERVICES, INC.	6048	WELLS FARGO
JACK COOPER CT SERVICES, INC.	4714	WELLA FARGO
JACK COOPER ENTERPRISES, INC.	6612	WELLS FARGO
JACK COOPER ENTERPRISES, INC.	6620	WELLS FARGO
JACK COOPER TRANSPORT CANADA INC.	2474	WELLS FARGO
JACK COOPER TRANSPORT CANADA INC.	0326	WELLS FARGO
JACK COOPER TRANSPORT CANADA INC.	9714	SCOTIABANK
JACK COOPER TRANSPORT CANADA INC.	9911	SCOTIABANK
JACK COOPER TRANSPORT CANADA INC.	349C	SCOTIABANK
AUTO & BOAT RELOCATION SERVICES, LLC	6652	TD BANK
CTEMS, LLC	4874	BANK OF AMERICA
CTEMS, LLC	2212	BANK OF AMERICA
CTEMS, LLC	2596	BANK OF AMERICA

SCHEDULE D - INTERIM CRITICAL VENDORS ORDER

IT IS ORDERED as set forth below:

Date: August 8, 2019

Paul W. Bonapfel

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	Chapter 11
JACK COOPER VENTURES, INC., *et al.*,[1]	)	Case No. 19-62393 (PWB)
Debtors.	)	(Jointly Administered)

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO PAY CERTAIN PREPETITION CLAIMS OF CRITICAL VENDORS AND FOREIGN VENDORS, AND (II) GRANTING CERTAIN RELATED RELIEF

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Jack Cooper Ventures, Inc. (0805); Jack Cooper Diversified, LLC (9414); Jack Cooper Enterprises, Inc. (3001); Jack Cooper Holdings Corp. (2446); Jack Cooper Transport Company, Inc. (3030); Pacific Motor Trucking Company (7203); Auto Handling Corporation (4011); Jack Cooper Specialized Transport, Inc. (8881); CTEMS, LLC (7725); Jack Cooper Logistics, LLC (3433); Auto & Boat Relocation Services, LLC (9095); CarPilot, Inc. (3033); Axis Logistic Services, Inc. (2904); Jack Cooper CT Services, Inc. (3523); Jack Cooper Rail and Shuttle, Inc. (7801); Jack Cooper Investments, Inc. (6894); North American Auto Transportation Corp. (8293); Jack Cooper Transport Canada Inc. (8666); Jack Cooper Canada GP 1 Inc. (7030); Jack Cooper Canada GP 2 Inc. (2373); Jack Cooper Canada 1 Limited Partnership (3439); and Jack Cooper Canada 2 Limited Partnership (7839). The location of the Debtors' corporate headquarters and service address is: 630 Kennesaw Due West Road NW, Kennesaw, Georgia 30152.

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Interim Order"), (a) authorizing, but not directing, the Debtors, in their discretion, to pay certain Critical Vendor Claims, Foreign Vendor Claims and Logistical Claims, (b) setting a final hearing related thereto, and (c) granting related relief, all 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. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.

[2] All capitalized terms used but otherwise not defined herein shall have the meaning set forth in the Motion.

2. The final hearing on the Motion shall be held on August 27, 2019, at 10:00 a.m., prevailing Eastern Time. Any objection to entry of the Final Order attached as **Exhibit B** to the Motion must be filed with the Court and served on the following parties: (i) Jack Cooper Ventures, Inc., 630 Kennesaw Due West Road, Kennesaw, Georgia 30152, Attn.: Theo Ciupitu and Taejin Kim; (ii) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn.: Kelley A. Cornish and Brian S. Hermann and King & Spalding LLP, 1180 Peachtree Street NE, Atlanta, Georgia 30309, Attn.: Sarah R. Borders, Leia Clement Shermohammed, and Britney Baker; (iii) the Office of the United States Trustee for the Northern District of Georgia; (iv) counsel to the Debtors' prepetition secured revolving lenders, Buchalter, P.C., 1000 Wilshire Blvd., 15th Floor, Los Angeles, California 90017, Attn.: Robert J. Davidson and Julian Gurule; (v) counsel to the Debtors' prepetition first lien term loan lenders, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Attn.: Adam Harris; (vi) counsel to the Debtors' prepetition junior lien term loan lenders, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn.: Marc Kieselstein and Alexandra Schwarzman; (vii) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases; and (viii) any party that has requested notice pursuant to Bankruptcy Rule 2002, in each case to allow actual receipt by no later than 4:00 p.m. (prevailing Eastern time) on August 20, 2019.

3. The Debtors are authorized, but not directed, to pay the Critical Vendor Claims, Foreign Vendor Claims and Logistics Claims, subject to the Vendor Claims Cap.

4. All undisputed obligations related to the Outstanding Orders are granted administrative expense priority in accordance with section 503(b)(1)(A) of the Bankruptcy Code.

5. Nothing herein or in the Motion shall be construed to limit, or in any way affect, the Debtors' or any other party-in-interest's ability to dispute or contest the amount of, or basis for, any claims (or the priority thereof) against the Debtors' arising in connection with the Outstanding Orders.

6. The Debtors are authorized, but not directed, in their discretion, to use commercially reasonable efforts, in consultation with the Junior Term Loan Lenders, to condition the payment of a Critical Vendor Claims, Foreign Vendor Claims and Logistics Claims on the agreement of the applicable Vendor to continue supplying goods and services to the Debtors on the Customary Trade Terms, or such other trade terms as are agreed to by the Debtors and the applicable Vendor.

7. The Debtors are authorized, but not directed, in their discretion, to enter into Trade Agreements with Vendors, including, without limitation, on the following terms:

a. The amount of the Vendor's estimated prepetition claim, after accounting for any setoffs, other credits and discounts thereto, shall be as mutually determined in good faith by the Vendor and the Debtors (but such amount shall be used only for purposes of this Interim Order and shall not be deemed a claim allowed by this Court, and the rights of all parties in interest to object to such claim shall be fully preserved until further order of this Court);

b. The amount and timing of any payment agreed to be paid in satisfaction of such estimated prepetition claim by the Debtors, subject to the terms and conditions as set forth in this Interim Order;

c. The Vendor's agreement to provide goods and services to the Debtors based upon the Customary Trade Terms (including, but not limited to, credit limits, pricing, cash discounts, timing of payments, allowances, rebates, normal product mix and availability and other applicable terms and programs), or such other trade terms as are agreed to by the Debtors and the Vendor, and the Debtors' agreement to pay the Vendor in accordance with such terms, and the Vendor's agreement not to seek to discontinue, terminate, or modify any contractual agreement with the Debtors;

d. The Vendor's agreement not to file or otherwise assert against any of the Debtors, their estates or any of their respective assets or property (real or personal) any lien (a "Lien") (regardless of the statute or other legal authority upon which such Lien is asserted) related in any way to any remaining prepetition amounts allegedly owed to the Vendor by the Debtors arising from goods and services provided to the Debtors prior to the Petition Date, and that, to the extent that the Vendor has previously obtained such a Lien, the Vendor shall immediately take all necessary actions to release such Lien;

e. The Vendor's acknowledgment that it has reviewed the terms and provisions of this Interim Order and consents to be bound thereby;

f. The Vendor's agreement that it will not separately assert or otherwise seek payment of any reclamation claims; and

g. If a Vendor which has received payment of a prepetition claim subsequently refuses to provide goods and services to the Debtors on Customary Trade Terms or such other trade terms as are agreed to by the Debtors and the Vendor, then, without the need for any further order of this Court, any payments received by the Vendor on account of such prepetition claim shall be deemed to have been in payment of any then outstanding postpetition obligations owed to such Vendor, and such Vendor shall immediately repay to the Debtors any payments received on account of its prepetition claim to the extent that the aggregate amount of such payments exceed the postpetition obligations then outstanding to such Vendor, without the right of setoff, recoupment or reclamation, and the Vendor's prepetition claim shall be reinstated as a prepetition claim in these chapter 11 cases and subject to the terms of any bar date order entered in these chapter 11 cases.

8. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

9. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored

as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Critical Vendor Claims, Foreign Vendor Claims or Logistics Claims.

10. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or this Interim Order or any payment made pursuant to this Interim Order shall constitute, nor is it intended to constitute, (a) an admission as to the validity or priority of any claim or lien against the Debtors, (b) a waiver of the Debtors' or any party in interest's rights to subsequently dispute and/or contest such claim or lien, (c) the assumption or adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code, or (d) a grant of third-party beneficiary status or bestowal of any additional rights on any third party.

11. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

12. 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), the Bankruptcy Local Rules for the Northern District of Georgia and the Complex Case Procedures are satisfied by such notice.

13. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

14. Notwithstanding anything to the contrary in this Interim Order, any payment made (or to be made) and any authorization contained in this Interim Order shall be subject to the terms, conditions, limitations, and requirements of the *Interim Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, and 507 (I) Authorizing the Debtors to Obtain Senior and Junior Secured Priming Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Adminstrative Expense Claims and (B) Adequate Protection to Certain Prepetition Lenders; (III) Authorizing the Use of Cash Collateral; (IV) Modifying the Automatic Stay; (V) Scheduling*

a Final Hearing; and (VI) Granting Related Relief, or any other order entered in these chapter 11 cases authorizing the use of cash collateral (collectively, and together with any approved budget (including any permitted variances) in connection therewith, the "DIP Order"), and to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken under this Interim Order, the terms of the DIP Order (together with any approved budget (including any permitted variances) in connection therewith) shall control.

15. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

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

END OF ORDER

Prepared and presented by:

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Proposed Counsel for the Debtors in Possession

SCHEDULE E - INTERIM DIP ORDER

IT IS ORDERED as set forth below:

Date: August 8, 2019

Paul W. Bonapfel

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	Chapter 11
JACK COOPER VENTURES, INC., *et al.*,[1]	)	Case No. 19-62393 (PWB)
Debtors.	)	(Joint Administration Requested)

INTERIM ORDER PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, AND 507 (I) AUTHORIZING THE DEBTORS TO OBTAIN SENIOR AND JUNIOR SECURED SUPERPRIORITY POSTPETITION FINANCING; (II) GRANTING (A) LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS AND (B) ADEQUATE PROTECTION TO CERTAIN PREPETITION LENDERS; (III) AUTHORIZING USE OF CASH COLLATERAL; (IV) MODIFYING THE AUTOMATIC STAY; (V) SCHEDULING A FINAL HEARING; AND (VI) GRANTING RELATED RELIEF

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[1] The Debtors in these chapter 11 cases (the "Chapter 11 Cases"), along with the last four digits of each Debtor's federal tax identification number, include: Jack Cooper Ventures, Inc. (0805); Jack Cooper Diversified, LLC (9414); Jack Cooper Enterprises, Inc. (3001); Jack Cooper Holdings Corp. (2446); Jack Cooper Transport Company, Inc. (3030); Auto Handling Corporation (4011); CTEMS, LLC (7725); Jack Cooper Logistics, LLC (3433); Auto & Boat Relocation Services, LLC (9095); Axis Logistic Services, Inc. (2904); Jack Cooper CT Services, Inc. (3523); Jack Cooper Rail and Shuttle, Inc. (7801); Jack Cooper Investments, Inc. (6894); North American Auto Transportation Corp. (8293); Jack Cooper Transport Canada, Inc. (8666); Jack Cooper Canada GP 1 Inc. (7030); Jack Cooper Canada GP 2 Inc. (2373); Jack Cooper Canada 1 Limited Partnership (3439); and Jack Cooper Canada 2 Limited Partnership (7839). The location of the Debtors' corporate headquarters and service address is: 630 Kennesaw Due West Road NW, Kennesaw, Georgia 30152.

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") pursuant to sections 105, 361, 362, 363, 364(c)(1), 364(c)(2) and 364(c)(3), 364(d), 364(e), and 507 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"), and Rules 7007-1, 9013-1, 9013-4, and 9014-2 of the Local Bankruptcy Rules (the "Local Rules") for the United States Bankruptcy Court for the Northern District of Georgia (this "Court"), and the Procedures for Complex Chapter 11 Bankruptcy Cases (the "Complex Case Procedures") promulgated by the Court, *inter alia*, requesting, among other things:

(1) authorization for the Borrowers (as defined in the respective DIP Credit Agreements (as defined below)) to obtain postpetition financing pursuant to the DIP Facilities (as defined below), and for each of the Guarantors (as defined in the respective DIP Credit Agreements) to guarantee unconditionally on a joint and several basis, and subject to the terms and limitations set forth in the DIP Credit Agreements in all respects, the applicable Borrowers' obligations under the respective DIP Facilities, consisting of:

a) a senior secured super-priority asset-based revolving credit facility (the "Revolver Facility"), including Canadian Revolver Commitments for Canadian Borrowers (as defined in the Revolver DIP Agreement referred to below) (the "Canadian DIP Sub-Facility"), on the terms and conditions substantially in the form annexed to the Motion as **Exhibit A** (as the same may be amended, restated, amended and restated, supplemented, waived, extended or otherwise modified from time to time, the "Revolver DIP Agreement," and, together with any other related agreements, documents, security agreements, or pledge agreements, including the Interim Order and Final Order (each as defined below), collectively, the "Revolver DIP Documents"), by and among the Borrowers (as defined in the Revolver DIP Documents), the Guarantors (as defined in the Revolver DIP Documents), Wells Fargo Capital Finance, LLC ("Wells") as administrative agent (in such capacity, the "Revolver Administrative Agent"), and the lenders from time to time party thereto (in

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

such capacity, the "Revolver Lenders" and, together with the Revolver Administrative Agent, the "Revolver Secured Parties"), in an aggregate principal amount (subject to availability) of (i) up to (x) $85 million in revolving commitments available for borrowing by the U.S. Borrowers (as defined in the Revolver DIP Agreement, and, such commitments, the "U.S. Revolving Commitments") (of which up to $5 million shall be available for the issuance of U.S. letters of credit) minus (y) outstanding loans under the Canadian Revolving Commitments (as defined below) (the "Canadian Revolving Loans"), and (ii) up to $5 million in revolving commitments available for borrowing by the Canadian Borrowers (such commitments, the "Canadian Revolving Commitments" and, together with the U.S. Revolving Commitments, the "Revolving Commitments," and the loans outstanding under any of the Revolving Commitments from time to time, collectively, the "Revolving Loans") (of which up to $500,000 shall be available for the issuance of Canadian letters of credit); and

b) a junior secured super-priority multi-draw term loan credit facility (the "DIP Term Loan Facility," and, together with the Revolver Facility, collectively, the "DIP Facilities"), on the terms and conditions substantially in the form annexed to the Motion as **Exhibit B** (as the same may be amended, restated, amended and restated, supplemented, waived, extended, or otherwise modified from time to time, the "DIP Term Loan Agreement," and, together with the Revolver DIP Agreement, collectively, the "DIP Credit Agreements" and the DIP Term Loan Agreement, together with any other related agreements, documents, security agreements, or pledge agreements, including the Interim Order and the Final Order, collectively, the "DIP Term Documents," and the DIP Term Documents, together with the Revolver DIP Documents, the "DIP Loan Documents"), by and among the Borrowers (as defined in the DIP Term Loan Agreement), the Guarantors (as defined in the DIP Term Loan Agreement), Wilmington Trust, National Association ("Wilmington"), as administrative agent (in such capacity, the "DIP Term Administrative Agent," and, together with the Revolver Administrative Agent, the "DIP Agents"), and the lenders party thereto from time to time (the "DIP Term Lenders," and, together with the DIP Term Administrative Agent, the "DIP Term Secured Parties," and the DIP Term Lenders, together with the Revolver Lenders, the "DIP Lenders," and the DIP Lenders, together with the DIP Agents, collectively, the "DIP Secured Parties"), in an aggregate principal amount of $15 million in term loan commitments (the "DIP Term Loan Commitment," and, together with the DIP Revolving Commitments, the "DIP Commitments") which shall be available as term loans (the "DIP Term Loans," and, together with the Revolving Loans, the "DIP Loans") to the U.S. Borrowers (as defined in the DIP Term Loan Agreement) upon entry of this interim order (the "Interim Order") and satisfaction of the other conditions set forth therein in an initial amount not to exceed $7 million (the "Initial DIP Term Loan") with up to an additional $3 million available prior to entry of the Final Order, and the remainder of the DIP Term Loan Facility available upon entry of the Final Order to the extent set forth therein.

(2) authorization for Debtors to execute, deliver, and enter into the DIP Loan Documents, including the Amended and Restated Intercreditor Agreement, by and among Wells, in its capacity as Prepetition ABL Agent (as defined below) and Revolver Administrative Agent, the Prepetition Term Loan Agents (as defined below), and the DIP Term Administrative Agent (the "DIP Intercreditor Agreement"), and to perform all of the Debtors' respective obligations thereunder, and such other and further acts as may be required in connection with the DIP Loan Documents;

(3) authorization for the Debtors to pay all amounts, obligations, and liabilities owing or payable to the DIP Secured Parties pursuant to the DIP Loan Documents, including, without limitation, any principal, interest, fees, commitment fees, administrative agent fees, audit fees, closing fees, service fees, facility fees, or other fees, costs, expenses, charges, and disbursements of the respective DIP Secured Parties (including the reasonable and documented fees and expenses of each of the DIP Secured Parties' attorneys, advisors, accountants and other consultants), any obligations in respect of indemnity claims, whether contingent or absolute, including, without limitation, any and all obligations in connection with any interest rate, currency swap, or other hedging agreement or arrangement, in each case, to the extent constituting all Debtor and/or Guarantor obligations of any kind under the DIP Loan Documents (such obligations as to the Revolver Facility, the "Revolver Obligations," and such obligations as to the DIP Term Loan Facility, the "DIP Term Loan Obligations," and, collectively, the "DIP Obligations");

(4) authorization for the Debtors, immediately upon entry of this Interim Order, to use proceeds of the DIP Facilities (collectively the "DIP Loan Proceeds") as expressly provided in the DIP Loan Documents and solely in accordance with this Interim Order and the applicable

Approved Budget (as defined below) (subject to permitted variances and other exclusions set forth in the DIP Loan Documents) to: (A) pay costs, premiums, fees, and expenses related to the above-captioned cases (collectively, the "Cases") and in connection with the DIP Facilities; (B) to immediately use borrowings under the Revolver Facility to fully and indefeasibly repay the Prepetition ABL Obligations; (C) make permitted adequate protection payments in respect of the Prepetition Obligations (as defined below) as provided for in this Interim Order and the DIP Loan Documents; and (D) provide financing for working capital and for other general corporate purposes of the Debtors in accordance with the Approved Budget (subject to permitted variances and other exclusions set forth in the DIP Loan Documents);

(5) the grant and approval of superpriority administrative expense claim status, pursuant to sections 364(c)(1), 503(b)(1), and 507(b) of the Bankruptcy Code, to the DIP Agents, for the benefit of themselves and the other DIP Secured Parties, in respect of all DIP Obligations, subject only to the Carve Out (as defined below);

(6) granting the DIP Secured Parties valid, enforceable, non-avoidable, automatically and fully perfected DIP Liens (as defined below) in all DIP Collateral (as defined below), including, without limitation, all property constituting Prepetition Collateral (as defined below), including, without limitation, any Cash Collateral (as that term is defined in section 363(a) of the Bankruptcy Code and defined below), to secure the DIP Obligations, which DIP Liens shall be subject to the relative rankings and priorities set forth herein;

(7) authorization for the Debtors to use, among other things, solely in accordance with the Approved Budget (subject to permitted variances and other exclusions set forth in the DIP Loan Documents), any Cash Collateral in which any of the Prepetition Secured Parties (as defined below), including, for the avoidance of doubt, the Prepetition First Lien Secured Parties

(as defined below), may have an interest, and the granting of adequate protection solely to the extent of any postpetition diminution in the value of their respective interests in the Prepetition Collateral, including without limitation, the Cash Collateral, as a result of (i) the incurrence of the DIP Obligations, (ii) the Debtors' use of Cash Collateral as set forth in this Interim Order, (iii) the subordination of the Prepetition Secured Obligations to the Carve Out, (iv) any other diminution in value of the Prepetition Collateral arising from the Debtors' use, sale, or disposition of such Prepetition Collateral or the proceeds thereof, (v) the priming of the Prepetition Term Loan Liens by the Revolver DIP Liens on the Prepetition ABL Priority Collateral, and (vi) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (collectively, "Diminution in Value");

(8) the modification of the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of this Interim Order and the other DIP Loan Documents to the extent hereinafter set forth;

(9) a waiver of the Debtors' ability to surcharge pursuant to section 506(c) of the Bankruptcy Code against any DIP Collateral and, subject to entry of a final order granting the relief requested in the Motion on a final basis (the "Final Order"), the Prepetition Collateral, and any right of the Debtors under the "equities of the case" exception in section 552(b) of the Bankruptcy Code;

(10) this Court's waiver of any applicable stay (including under Bankruptcy Rule 6004) and providing for immediate effectiveness of this Interim Order;

(11) the scheduling of a final hearing on the Motion (the "Final Hearing") to consider entry of the Final Order granting the relief requested in the Motion on a final basis, and approving the form of notice with respect to the Final Hearing; and

(12) granting the Debtors such other and further relief as is just and proper.

The initial hearing on the Motion having been held by this Court on August 8, 2019 (the "Interim Hearing"), and upon the record made by the Debtors at the Interim Hearing, including the Motion and the Dunayer Declaration; any exhibits in connection with the foregoing, and the filings and pleadings in these Cases, the Court having found that the interim relief requested in the Motion is fair and reasonable and is in the best interests of the Debtors, the Debtors' bankruptcy estates (as defined under section 541 of the Bankruptcy Code, the "Estates"), their stakeholders and other parties in interest, and represents a sound exercise of the Debtors' business judgment and is essential for the continued operation of the Debtors' businesses; it appearing to the Court that granting the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their Estates pending the Final Hearing; and appropriate and adequate notice of the Motion, the interim relief requested therein, and the Interim Hearing (the "Notice") having been given under the circumstances; and the Notice having been served by the Debtors in accordance with Bankruptcy Rules 4001 and 9014 and the Local Rules on: (a) the United States Trustee for the Northern District of Georgia (the "U.S. Trustee"); (b) the entities listed as holding the 30 largest unsecured claims against the Debtors (on a consolidated basis) (the "30 Largest Unsecured Creditors"); (c) the agents for each of the Debtors' prepetition secured credit facilities (the "Prepetition Agents"); (d) the Prepetition Secured Parties (as defined below); (e) the DIP Agents; (f) the respective counsel to each of the parties referenced in clauses (c) through (e); (g) the United States Attorney's Office for the Northern District of Georgia; (h) the Internal Revenue Service; (i) the United States Securities and Exchange Commission; (j) the Environmental Protection Agency and all similar state environmental agencies for states in which the Debtors conduct business; (k) the attorneys

general in the states where the Debtors conduct their business operations; (l) any other notice parties required under any Prepetition Loan Document; (m) all parties which, to the best of the Debtors' knowledge, information, and belief, have asserted or may assert a lien in the Debtors' assets; and (n) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties"); and the opportunity for an interim hearing on the Motion was appropriate in connection with the Motion and no other notice need be provided; and all objections, if any, to the relief requested in the Motion having been withdrawn, resolved, or overruled by the Court; and after due deliberation sufficient cause appearing therefor;

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:[3]

A. Petition Date. On August 6, 2019 (the "Petition Date"), each Debtor filed a voluntary petition (each, a "Petition") under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No chapter 11 trustee or examiner has been appointed in any of the Cases.

B. Jurisdiction and Venue. This Court has jurisdiction over these proceedings pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief sought herein are sections 105, 361, 362, 363, 364, 503 and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001, 9013 and 9014 and Local Rules 7007-1, 9013-1, 9013-4, and 9014-2.

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[3] 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 proceeding pursuant to Bankruptcy Rule 9014. To the extent that 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.

C. Committee Formation. As of the date hereof, no official committee of unsecured creditors under section 1102 of the Bankruptcy Code (the "Committee") or any other statutory committee has been appointed in the Cases.

D. Notice. The Notice was given in the manner described in the Motion. Under the circumstances, the Notice given by the Debtors of the Motion, the Interim Hearing, and the relief granted under this Interim Order constitutes due and sufficient notice thereof and complies with Bankruptcy Rule 4001 and the Local Rules.

E. Parties' Acknowledgments, Agreements, and Stipulations. In requesting the DIP Facilities and use of Cash Collateral, and in exchange for and as a material inducement to the DIP Lenders and the Prepetition Secured Parties to agree to provide, or consent to, the DIP Facilities, access to the Cash Collateral, and subordination of the Prepetition Liens to the Carve Out and as a condition to providing financing under the DIP Facilities and consenting to the use of Cash Collateral, subject to the rights of the parties-in-interest (other than the Debtors) set forth in Section 4.1, the Debtors permanently and irrevocably admit, stipulate, acknowledge, and agree, as follows:

(i) Prepetition ABL Facility. Jack Cooper Holdings Corp. and certain of its affiliates designated therein, as borrowers, certain other parties designated as "Guarantors" thereto (such parties, collectively, the "Prepetition ABL Obligors"), the financial institutions from time to time party thereto (collectively, the "Prepetition ABL Lenders"), and Wells, as administrative agent (in such capacity, the "Prepetition ABL Agent" and, together with the Prepetition ABL Lenders, the "Prepetition ABL Secured Parties"), are parties to that certain Second Amended and Restated Credit Agreement, dated as of February 15, 2018 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the

"Prepetition ABL Credit Agreement," and, together with all other agreements, documents, and instruments executed and/or delivered with, to or in favor of the Prepetition ABL Secured Parties, including, without limitation, all security agreements, notes, guarantees, mortgages, Uniform Commercial Code financing statements, documents, and instruments, including any fee letters, executed and/or delivered in connection therewith or related thereto, the "Prepetition Revolving Financing Documents"). The Prepetition ABL Credit Agreement provided the Prepetition ABL Obligors with an asset-based credit facility (the "Prepetition ABL Facility") with $85.0 million of maximum aggregate availability to the borrowers thereunder, including a $5 million Canadian Revolver Commitment (the "Prepetition ABL Canadian Sub-Facility"), as applicable, subject to a domestic borrowing base and a Canadian borrowing base (and, in each case, as reduced by reserves), as set forth in the Prepetition ABL Credit Agreement. As of the Petition Date, approximately $49,831,585.15 in principal was outstanding under the Prepetition ABL Facility in the form of "Revolving Loans" (as defined under the Prepetition ABL Credit Agreement), plus letters of credit in the approximate stated amount of approximately $350,000, plus interest accrued and accruing at the rates set forth in the Prepetition ABL Credit Agreement (together with any other amounts outstanding under the Prepetition ABL Facility as provided in the Prepetition ABL Credit Agreement, including obligations in respect of cash management, cash collateral for letters of credit, purchase charge cards, purchase card services, fees, expenses, and indemnity, the "Prepetition ABL Obligations"). The Prepetition ABL Facility is secured by (a) first priority security interests in and liens on certain of the Debtors' property, including (i) all accounts receivable (except to the extent such accounts receivable constitutes identifiable proceeds of Prepetition Term Loan Priority Collateral (as defined below)) (the "ABL A/R"), (ii) all inventory, (iii) instruments, chattel paper and other contracts, in each case, evidencing, or

substituted for the ABL A/R, (iv) guarantees, letters of credit, security and other enhancements, in each case for the ABL A/R, (v) claims and causes of actions (including commercial tort claims) relating to inventory or the ABL A/R, (vi) deposit accounts and security accounts not used exclusively to hold Prepetition Term Loan Priority Collateral (including all cash and other funds on deposit therein, except to the extent constituting identifiable proceeds of Prepetition Term Loan Priority Collateral), (vii) all tax refunds (other than tax refunds relating to Prepetition Term Loan Priority Collateral), (viii) all documents, books and records, accounting systems, general intangibles and supporting obligations related to any the foregoing (other than (A) intellectual property and (B) pledged stock), (ix) all books and records relating to any of the foregoing (including all books, databases, customer lists, and records, whether tangible or electronic, which contain any information relating to any of the foregoing), and (x) all substitutions, replacements, accessions, products, or proceeds of the foregoing (such property, whether now existing or hereafter arising or acquired, in clauses (i) through (x), collectively, the "Prepetition ABL Priority Collateral"); and (b) fourth priority security interests in and liens on certain of the Debtors' property, including (i) pledged stock, subject to any relevant exclusions set forth in the Prepetition Revolving Financing Documents, (ii) certain real estate assets, including fixtures related thereto, (iii) equipment (including vehicles), (iv) intellectual property, (v) pledged debt instruments, (vi) all general intangibles, instruments, documents, chattel paper, letters-of-credit rights, books and records, and supporting obligations related to the foregoing and proceeds of the foregoing (except to the extent any of the foregoing constitute Prepetition ABL Priority Collateral or Excluded Collateral (as defined in the relevant Prepetition Documents (as defined below)); (vii) all other goods and assets not constituting Prepetition ABL Priority Collateral, whether tangible or intangible, (viii) all books and records relating to any of the

foregoing (including all books, databases, customer lists, and records, whether tangible or electronic, which contain any information relating to any of the foregoing), and (ix) proceeds of the foregoing (such property, whether now existing or hereafter arising or acquired, in clauses (i) through (ix), collectively, the "Prepetition Term Loan Priority Collateral," and such liens and security interests in clauses (a) and (b), the "Prepetition ABL Liens"); *provided* that the Prepetition ABL Canadian Sub-Facility is secured by a first priority security interest in substantially all of the assets of those Debtors organized under the laws of Canada or any province thereof (such Debtors, the "Canadian Debtors," and such collateral, whether now existing or hereafter arising or acquired, the "Canadian Collateral").

(ii) Prepetition First Lien Term Loan Facility. Jack Cooper Ventures, Inc., as borrower, certain other domestic affiliates designated as "Guarantors" thereto (such parties, collectively, the "Prepetition First Lien Term Loan Obligors"), the financial institutions from time to time party thereto (collectively, the "Prepetition First Lien Lenders"), and Cerberus Business Finance Agency, LLC ("Cerberus"), as agent (in such capacity, the "Prepetition First Lien Agent" and, together with the Prepetition First Lien Lenders, the "Prepetition First Lien Secured Parties"), are parties to that certain Credit Agreement, dated as of June 28, 2018 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Prepetition First Lien Credit Agreement"). The Prepetition First Lien Credit Agreement provided the Prepetition First Lien Term Loan Obligors with term loan facilities in an aggregate principal amount of approximately $196 million (the "Prepetition First Lien Term Loan Facility") and under which approximately $188,650,000 in principal amount was outstanding as of the Petition Date (together with any other amounts outstanding under the Prepetition First Lien Term Loan Facility as provided in the Prepetition First Lien Credit

Agreement, including interest, fees, and expenses, the "Prepetition First Lien Obligations"). The Prepetition First Lien Term Loan Facility is secured by (a) first priority security interests in and liens on the Prepetition Term Loan Priority Collateral and (b) second priority security interests in and liens on the Prepetition ABL Priority Collateral (such liens and security interests in clauses (a) and (b), the "Prepetition First Lien Term Loan Liens").

(iii) Prepetition 1.5 Lien Term Loan Facility. Jack Cooper Ventures, Inc., as borrower, certain other domestic affiliates designated as "Guarantors" thereto (such parties, collectively, the "Prepetition 1.5 Lien Term Loan Obligors"), the financial institutions from time to time party thereto (collectively, the "Prepetition 1.5 Lien Lenders"), and Wilmington, as agent (in such capacity, the "Prepetition 1.5 Lien Agent" and, together with the Prepetition 1.5 Lien Lenders, the "Prepetition 1.5 Lien Secured Parties"), are parties to that certain Amended and Restated Credit Agreement, dated as of June 28, 2018 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Prepetition 1.5 Lien Credit Agreement"). The Prepetition 1.5 Lien Credit Agreement provided the Prepetition 1.5 Lien Term Loan Obligors with term loan facilities in an aggregate initial principal amount of $41 million (the "Prepetition 1.5 Lien Term Loan Facility") and under which approximately $45,515,729.68 in principal amount was outstanding as of the Petition Date (together with any other amounts outstanding under the Prepetition 1.5 Lien Term Loan Facility as provided in the Prepetition 1.5 Lien Credit Agreement, including interest, fees, and expenses, the "Prepetition 1.5 Lien Obligations"). The Prepetition 1.5 Lien Term Loan Facility is secured by (a) second priority security interests in and liens on the Prepetition Term Loan Priority Collateral and (b) third priority security interests in and liens on the Prepetition ABL Priority Collateral (such liens and security interests in clauses (a) and (b), the "Prepetition 1.5 Lien Term Loan Liens").

(iv) Prepetition Second Lien Term Loan Facility. Jack Cooper Ventures, Inc., as borrower, certain other domestic affiliates designated as "Guarantors" thereto (such parties, collectively, the "Prepetition Second Lien Term Loan Obligors," and, together with the Prepetition ABL Obligors, the Prepetition First Lien Obligors, and the Prepetition 1.5 Lien Obligors, collectively, the "Prepetition Obligors"), the financial institutions from time to time party thereto (collectively, the "Prepetition Second Lien Lenders," and, together with the Prepetition 1.5 Lien Lenders, collectively, the "Junior Term Loan Lenders," together with the Prepetition ABL Lenders and the Prepetition First Lien Lenders, collectively, the "Prepetition Lenders"), and Wilmington, as agent (in such capacity, the "Prepetition Second Lien Agent" and, together with the Prepetition Second Lien Lenders, the "Prepetition Second Lien Secured Parties," and, together with the Prepetition 1.5 Lien Secured Parties, the "Prepetition Junior Lien Secured Parties," and the Prepetition Second Lien Agent, together with the Prepetition First Lien Agent and the Prepetition 1.5 Lien Agent, the "Prepetition Term Loan Agents," and the Prepetition Second Lien Secured Parties, together with the Prepetition First Lien Secured Parties and the Prepetition 1.5 Lien Secured Parties, the "Prepetition Term Loan Secured Parties" and, together with the Prepetition ABL Secured Parties, the "Prepetition Secured Parties"), are parties to that certain Amended and Restated Credit Agreement, dated as of June 28, 2018 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Prepetition Second Lien Credit Agreement," and, together with the Prepetition 1.5 Lien Credit Agreement, collectively, the "Junior Credit Agreements," together with the Prepetition ABL Credit Agreement and the Prepetition First Lien Credit Agreement, collectively, the "Prepetition Credit Agreements"). The Prepetition Second Lien Credit Agreement provided the Prepetition Second Lien Obligors with term loan facilities in an aggregate principal amount of $261.625

million (the "Prepetition Second Lien Term Loan Facility," and, together with the Prepetition First Lien Term Loan Facility, and the Prepetition 1.5 Lien Term Loan Facility, collectively, the "Prepetition Term Loan Facilities," and, together with the Prepetition ABL Facility, collectively, the "Prepetition Credit Facilities") and under which approximately $291,413,174.61 in principal amount was outstanding as of the Petition Date (together with any other amounts outstanding under the Prepetition Second Lien Term Loan Facility as provided in the Prepetition Second Lien Credit Agreement, including interest, fees, and expenses, the "Prepetition Second Lien Obligations," and, together with the Prepetition First Lien Obligations and the Prepetition 1.5 Lien Obligations, collectively, the "Prepetition Term Loan Obligations," and, together with the Prepetition ABL Obligations, the "Prepetition Obligations"). The Prepetition Second Lien Term Loan Facility is secured by (a) third priority security interests in and liens on the Prepetition Term Loan Priority Collateral and (b) fourth priority security interests in and liens on the Prepetition ABL Priority Collateral (such liens and security interests in clauses (a) and (b), the "Prepetition Second Lien Term Loan Liens," and, together with the Prepetition First Lien Term Loan Liens and the Prepetition 1.5 Lien Term Loan Liens, the "Prepetition Term Loan Liens," and, together with the Prepetition ABL Liens, the "Prepetition Liens").

(v) Prepetition Intercreditor Agreement. Wells, in its capacity as Prepetition ABL Agent, Cerberus, in its capacity as Prepetition First Lien Agent, and Wilmington, in its capacity as the Prepetition 1.5 Lien Agent and Prepetition Second Lien Agent, are parties to that certain Intercreditor Agreement, dated as of June 28, 2018 (the "Prepetition Intercreditor Agreement.") The Prepetition Intercreditor Agreement is a valid and enforceable "subordination agreement" under section 510(a) of the Bankruptcy Code and is, as of the Petition Date, binding on all parties thereto.

(vi) Prepetition Collateral. To secure the Prepetition Obligations, the Debtors entered into certain guaranty and collateral agreements, certain other security documents, and certain intercreditor agreements, including the Prepetition Intercreditor Agreement, governing the Prepetition Secured Parties' respective security interests in the Prepetition Collateral (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, and together with any ancillary collateral documents, including, without limitation, any related mortgages and deeds of trust, the "Prepetition Collateral Documents") and, together with the Prepetition Credit Agreements, the "Prepetition Documents"). Pursuant to the Prepetition Collateral Documents, and on the terms set forth therein and subject to the Prepetition Intercreditor Agreement and any other applicable intercreditor agreements, the Debtors granted to the Prepetition Secured Parties the Prepetition Liens on the Prepetition ABL Priority Collateral, the Prepetition Term Loan Priority Collateral, and, with respect to the Prepetition ABL Canadian Sub-Facility, the Canadian Collateral, but subject to any exclusions in the Prepetition Documents (the "Prepetition Collateral").

(vii) Prepetition Obligations. The Prepetition Obligations owing to the Prepetition Secured Parties constitute legal, valid, and binding obligations of the Debtors and their applicable affiliates, enforceable against them in accordance with their respective terms (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code), and no portion of the Prepetition Obligations owing to the Prepetition Secured Parties is subject to avoidance, recharacterization, reduction, set-off, offset, counterclaim, cross-claim, recoupment, defenses, disallowance, impairment, recovery, subordination, or any other challenges pursuant to the Bankruptcy Code or applicable non-bankruptcy law or regulation by any person or entity, including in any Successor Cases (as defined below).

(viii) Prepetition Liens. The Prepetition Liens granted to the Prepetition Secured Parties constitute legal, valid, binding, enforceable (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code), and perfected security interests in and liens on the Prepetition Collateral, were granted to, or for the benefit of, the applicable Prepetition Secured Parties for fair consideration and reasonably equivalent value, and are not subject to defense, counterclaim, recharacterization, subordination, avoidance, or recovery pursuant to the Bankruptcy Code or applicable non-bankruptcy law or regulation by any person or entity.

(ix) No Challenges/Claims. No offsets, challenges, objections, defenses, claims or counterclaims of any kind or nature to any of the Prepetition Liens or Prepetition Obligations exist, and no portion of the Prepetition Liens or Prepetition Obligations is subject to any challenge or defense including, without limitation, avoidance, disallowance, disgorgement, recharacterization, or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law. The Debtors and their Estates have no valid Claims (as such term is defined in section 101(5) of the Bankruptcy Code) objections, challenges, causes of action, and/or choses in action against any of the Prepetition Secured Parties or any of their respective affiliates, agents, attorneys, advisors, professionals, officers, directors, and employees with respect to the Prepetition Credit Agreements, the Prepetition Obligations, the Prepetition Liens, or otherwise, whether arising at law or at equity, including, without limitation, any challenge, recharacterization, subordination, avoidance, recovery, disallowance, reduction, or other claims arising under or pursuant to sections 105, 502, 510, 541, 542 through 553, inclusive, or 558 of the Bankruptcy Code or applicable state law equivalents. The Prepetition Obligations

constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code.

(x) Indemnity. The DIP Agents, the DIP Lenders, and the Prepetition Secured Parties have acted in good faith, and without negligence or violation of public policy or law, in respect of all actions taken by them in connection with or related in any way to negotiating, implementing, documenting, or obtaining the requisite approvals of the DIP Facilities and the use of Cash Collateral, including in respect of the granting of the DIP Liens and the Prepetition Term Loan Adequate Protection Liens (as defined below), any challenges or objections to the DIP Facilities or the use of Cash Collateral, and all documents related to any and all transactions contemplated by the foregoing. Accordingly, the Prepetition Secured Parties, the DIP Agents, and the DIP Lenders shall be and hereby are indemnified and held harmless by the Debtors in respect of any claim or liability incurred in respect thereof or in any way related thereto, provided that no such parties will be indemnified for any cost, expense, or liability to the extent determined in a final, non-appealable judgment of a court of competent jurisdiction to have resulted primarily from such parties' gross negligence or willful misconduct. No exception or defense exists in contract, law, or equity as to any obligation set forth, as the case may be, in this paragraph E(x), in the Prepetition Credit Agreements, or in the DIP Loan Documents, to the Debtors' obligation to indemnify and/or hold harmless the Prepetition Secured Parties, the DIP Agents, or the DIP Lenders, as the case may be.

(xi) Sale and Credit Bidding. The Debtors and the Prepetition Obligors admit, stipulate, acknowledge, and agree that any of the DIP Lenders, DIP Agents, or Prepetition Secured Parties, including, for the avoidance of doubt, JC Buyer Company, Inc., as the designated buyer on behalf of the Junior Term Loan Lenders (in such capacity, the "Purchaser"),

in its capacity as the holder (or the representative of the holders) of claims under the Junior Credit Agreements and DIP Term Loan Agreement, shall have the right to credit bid, including the Stalking Horse Credit Bid (as defined below), the entirety of (or any portion of) the Prepetition Obligations and/or the DIP Obligations, as applicable, including the Prepetition Obligations under the Junior Credit Agreements and the DIP Obligations under the DIP Term Loan Agreement.

(xii) Release. Subject to Section 4.1 and the challenge rights granted thereunder, each of the Debtors, their Estates, the Borrowers, the Guarantors, and the Prepetition Obligors, on their own behalf and on behalf of each of their past, present, and future predecessors, successors, heirs, subsidiaries, and assigns, hereby forever, unconditionally, permanently, and irrevocably release, discharge, and acquit each of the Prepetition Secured Parties, and each of their respective successors, assigns, affiliates, parents, subsidiaries, partners, controlling persons, representatives, agents, attorneys, advisors, financial advisors, consultants, professionals, officers, directors, members, managers, shareholders, and employees, past, present and future, and their respective heirs, predecessors, successors and assigns (collectively, the "Released Parties") of and from any and all claims, controversies, disputes, liabilities, obligations, demands, damages, expenses (including, without limitation, attorneys' fees), debts, liens, actions, and causes of action of any and every nature whatsoever, whether arising in law or otherwise, and whether known or unknown, matured or contingent, arising under, in connection with, or relating to the Prepetition Obligations or the Prepetition Loan Documents, including, without limitation, (a) any so-called "lender liability" or equitable subordination claims or defenses, (b) any and all "claims" (as defined in the Bankruptcy Code) and causes of action arising under the Bankruptcy Code, and (c) any and all offsets, defenses, claims, counterclaims,

set off rights, objections, challenges, causes of action, and/or choses in action of any kind or nature whatsoever, whether arising at law or in equity, including any recharacterization, recoupment, subordination, avoidance, or other claim or cause of action arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state, federal, or foreign law, including, without limitation, any right to assert any disgorgement or recovery, in each case, with respect to the extent, amount, validity, enforceability, priority, security, and perfection of any of the Prepetition Obligations, the Prepetition Loan Documents, or the Prepetition Liens, and further waive and release any defense, right of counterclaim, right of setoff, or deduction to the payment of the Prepetition Obligations that the Debtors now have or may claim to have against the Released Parties, arising under, in connection with, based upon, or released to any and all acts, omissions, conduct undertaken, or events occurring prior to entry of this Interim Order.

(xiii) ABL Cash Collateral. The Debtors admit, stipulate, acknowledge, and agree that all of the cash of the Debtors that are Prepetition ABL Obligors (the "Debtor ABL Obligors"), wherever located, and all cash equivalents, including any cash in deposit accounts of the Debtor ABL Obligors, whether as Prepetition ABL Priority Collateral or which represents income, proceeds, products, rents or profits of other Prepetition ABL Priority Collateral, constitutes "cash collateral" of the Prepetition ABL Secured Parties within the meaning of section 363(a) of the Bankruptcy Code (the "ABL Cash Collateral").

(xiv) Term Loan Cash Collateral. The Debtors admit, stipulate, acknowledge, and agree that all of the cash of the Debtors who were obligors under the Prepetition Term Loan Facilities, wherever located, and all cash equivalents, including any cash in deposit accounts of the Debtors who were borrowers under the Prepetition Term Loan Facilities, whether as

Prepetition Term Loan Priority Collateral or which represents income, proceeds, products, rents or profits of other Prepetition Term Loan Priority Collateral, constitutes "cash collateral" of the Prepetition Term Loan Secured Parties within the meaning of section 363(a) of the Bankruptcy Code (the "Term Loan Cash Collateral," and, together with the ABL Cash Collateral, collectively the "Cash Collateral").

F. Findings Regarding the Postpetition Financing.

(i) Postpetition Financing. The Debtors have requested from each of the DIP Secured Parties, and the DIP Secured Parties are willing, subject to the terms of this Interim Order and satisfaction of the conditions set forth in the DIP Credit Agreements, to extend the DIP Loans on the terms and conditions set forth in this Interim Order and the DIP Loan Documents, respectively.

(ii) Need for Postpetition Financing. The Debtors do not have sufficient liquidity, including Cash Collateral, to operate their businesses in the ordinary course of business without the financing requested in the Motion. The Debtors' ability to maintain business relationships with their vendors, suppliers, and customers, to pay their employees, pay certain fees and expenses as set forth herein, and to otherwise fund their operations is essential to the Debtors' continued viability as the Debtors seek to maximize the value of the assets of the Estates for the benefit of all creditors of the Debtors. The ability of the Debtors to obtain sufficient working capital and liquidity through the proposed postpetition financing arrangements with the DIP Secured Parties as set forth in this Interim Order, the DIP Credit Agreements, and other DIP Loan Documents, as applicable, is vital to the preservation and maintenance of the going concern value of each Debtor. Accordingly, the Debtors have an immediate need to obtain the postpetition financing to, among other things, permit the orderly continuation of the

operation of their businesses, minimize the disruption of their business operations, and preserve and maximize the value of the assets of the Debtors' Estates to maximize the recovery to all creditors of the Estates.

(iii) Stalking Horse Credit Bid. As described in greater detail in the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Enter Into and Perform Under the Stalking Horse Asset Purchase Agreement, (II) Approving Bidding Procedures for the Sale of the Debtors' Assets, (III) Approving the Expense Reimbursement, (IV) Scheduling Hearings and Objection Deadlines with Respect to the Sale, (V) Scheduling Bid Deadlines and an Auction, (VI) Approving the Form and Manner of Notice Thereof, (VII) Approving Contract Assumption and Assignment Procedures, and (VIII) Granting Related Relief* filed on the Petition Date (the "Sale Motion"), Purchaser has agreed to purchase all or substantially all of the DIP Collateral (as defined below) substantially on the terms and conditions set forth in that certain Asset Purchase Agreement attached to the Sale Motion as Exhibit 1 (as may be amended, restated, modified, or supplemented, from time to time, the "Stalking Horse Agreement") (collectively, the "Stalking Horse Credit Bid").

(iv) No Credit Available on More Favorable Terms. The Debtors are unable to procure financing in the form of unsecured credit allowable as an administrative expense under sections 364(a), 364(b), or 503(b)(1) of the Bankruptcy Code or in exchange for the grant of a superpriority administrative expense, or liens on property of the Estates not subject to a lien pursuant to sections 364(c)(1), 364(c)(2), or 364(c)(3) of the Bankruptcy Code. The Debtors assert in the Motion, the First Day Declaration, and in the Dunayer Declaration, and demonstrated at the Interim Hearing, that they have been unable to procure the necessary financing on terms more favorable, taken as a whole, than the financing offered by each of the

DIP Secured Parties pursuant to the DIP Loan Documents. In light of the foregoing, and considering all alternatives, the Debtors have reasonably and properly concluded, in the exercise of their sound business judgment, that the DIP Facilities represent the best financing available to the Debtors at this time, and are in the best interests of the Debtors, their estates, and all of their stakeholders.

(v) Budget. The Debtors have prepared and delivered to the DIP Secured Parties an initial budget (the "Initial Budget"), a copy of which is attached hereto as **Exhibit C**. The Initial Budget reflects the Debtors' anticipated cash receipts and anticipated disbursements for each calendar week during the period from the Petition Date through and including the end of the thirteenth (13th) calendar week following the Petition Date (the Initial Budget and each subsequent approved Budget then in effect, an "Approved Budget"). The Debtors believe that the Initial Budget is reasonable under the facts and circumstances. The DIP Secured Parties are relying upon the Debtors' agreement to comply on the terms set forth in the DIP Credit Agreements, with the Approved Budget, the other DIP Loan Documents, and this Interim Order in determining to enter into the postpetition financing arrangements provided for herein.

(vi) Certain Conditions to DIP Facilities. The DIP Lenders' willingness to make the DIP Loans is conditioned upon, among other things: (a) the Debtors obtaining Court approval to enter into the DIP Loan Documents and to incur all of the respective obligations thereunder, and to confer upon the DIP Secured Parties all applicable rights, powers, and remedies thereunder in each case as modified by this Interim Order; (b) the provision of adequate protection of the Prepetition Term Loan Secured Parties' interests in the Prepetition Collateral pursuant to sections 361, 363, and 364 of the Bankruptcy Code; (c) the DIP Secured Parties being granted, as security for the prompt payment of the DIP Facilities and all other obligations

of the Debtors under the DIP Loan Documents, subject to the priorities described in **Exhibit D** annexed hereto, superpriority perfected security interests in and liens upon all property and assets of the Debtors, including, but not limited to, a valid and perfected security interest in and lien upon all of the now or hereafter arising or acquired: (i) Prepetition ABL Priority Collateral (whether in existence on the Petition Date or hereafter arising), (ii) the Canadian Collateral (whether in existence on the Petition Date or hereafter arising), (iii) Prepetition Term Loan Priority Collateral (whether in existence on the Petition Date or hereafter arising), and (iv) any assets of the Debtors that are not otherwise subject to valid, perfected, enforceable, and unavoidable security interests, including any other assets consisting of Excluded Collateral (under any of the Prepetition Documents) (collectively hereinafter referred to as the "DIP Collateral," and, for avoidance of doubt, the DIP Collateral shall include, subject to entry of the Final Order, the proceeds (the "Avoidance Proceeds") of any claim or cause of action arising under or pursuant to chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state, federal, or foreign law (including any other avoidance actions under the Bankruptcy Code) (collectively, the "Avoidance Actions")).

(vii) Business Judgment and Good Faith Pursuant to Section 364(e). Any credit extended, loans made, and other financial accommodations extended to the Debtors by the DIP Secured Parties, including, without limitation, pursuant to this Interim Order, have been extended, issued, or made, as the case may be, in "good faith" within the meaning of section 364(e) of the Bankruptcy Code and in express reliance upon the protections offered by Bankruptcy Code section 364(e), and the DIP Facilities, the DIP Liens, and the DIP Superpriority Claims (as defined below) shall be entitled to the full protection of Bankruptcy

Code section 364(e) in the event that this Interim Order or any provision hereof is vacated, reversed, or modified on appeal or otherwise.

(viii) Credit Bid Rights.

(a) The Debtors, Prepetition ABL Secured Parties, Prepetition Junior Lien Secured Parties, and DIP Secured Parties hereby acknowledge and agree that they shall not object, or support any objection, to the DIP Secured Parties' or Prepetition Secured Parties' rights to credit bid, including the Stalking Horse Credit Bid, up to the full amount of their DIP Obligations and/or Prepetition Obligations, in each case including, without limitation, any accrued interest and expenses, in any sale effectuated through section 363 of the Bankruptcy Code, whether in a chapter 11 or chapter 7 proceeding.

(b) The Prepetition First Lien Secured Parties' support of the DIP Secured Parties' and other Prepetition Secured Parties' rights to credit bid shall be as set forth in the Restructuring Support Agreement and subject to the terms thereof.

(ix) Sections 506(c) and 552(b). The Debtors have agreed as a condition to obtaining financing under the DIP Facilities and the use of Cash Collateral that as a material inducement to the DIP Secured Parties to agree to provide the DIP Facilities and the Prepetition Secured Parties' consent to the use of Cash Collateral, and in exchange for (a) the DIP Secured Parties' willingness to provide the DIP Facilities to the extent set forth herein, (b) the DIP Secured Parties' and the Prepetition Secured Parties' agreement to subordinate their liens and superpriority claims to the Carve Out, and (c) the consensual use of Cash Collateral consistent with the Approved Budget, the terms of the DIP Credit Agreements, and the terms of this Interim Order, each of the DIP Secured Parties and, subject to entry of the Final Order, the Prepetition Secured Parties are entitled to receive (1) a waiver of any equities of the case exceptions or

claims under section 552(b) of the Bankruptcy Code and a waiver of unjust enrichment and similar equitable relief as set forth below, and (2) a waiver of the provisions of section 506(c) of the Bankruptcy Code.

(x) Good Cause. Good cause has been shown for the entry of this Interim Order. The relief requested in the Motion is necessary, essential, and appropriate and is in the best interest of and will benefit the Debtors, their creditors, and their Estates, as its implementation will, among other things, provide the Debtors with the necessary liquidity to (1) minimize disruption to the Debtors' businesses and on-going operations, (2) preserve and maximize the value of the Debtors' Estates for the benefit of all the Debtors' creditors, and (3) avoid immediate and irreparable harm to the Debtors, their creditors, their businesses, their employees, and their assets. The terms of the DIP Facilities are fair and reasonable, reflect each Debtor's exercise of its business judgment, and are supported by reasonably equivalent value and fair consideration. The DIP Facilities are the product of reasonable, arm's length, good faith negotiations between the Debtors and the respective DIP Lenders.

(xi) Refinancing of Prepetition ABL Obligations. The full and immediate payoff of the Prepetition ABL Obligations with the proceeds of borrowings under the Revolver Facility in accordance with this Interim Order is necessary as the Prepetition ABL Secured Parties have not otherwise consented to the use of their Cash Collateral, the subordination of their liens to the Carve Out and the Prepetition Term Loan Adequate Protection Liens provided herein, or the extension of credit to fund the Debtors' critical working capital needs in the form of the Revolver Facility.

(xii) Adequate Protection. The Prepetition Term Loan Secured Parties are entitled, pursuant to sections 361, 362, 363, and 364 of the Bankruptcy Code, to receive adequate

protection against any Diminution in Value of their respective interests in the Prepetition Collateral (including Cash Collateral), to the extent set forth in this Interim Order.

(xiii) Immediate Entry. Sufficient cause exists for immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(c)(2). Any objections that were made (to the extent such objections have not been withdrawn, waived, resolved, or settled) are hereby overruled on the merits.

Based upon the foregoing, and upon the record made before the Court at the Interim Hearing, and based on the agreement of the Revolver Administrative Agent as set forth in Section 4.2 hereof to support the Restructuring Transactions (as defined in the Restructuring Support Agreement), and after due consideration and good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

Section 1. Authorization and Conditions to Financing.

1.1 Motion Granted. The Motion is granted to the extent provided in this Interim Order. Any objections to the entry of this Interim Order that have not been withdrawn, waived, resolved, or settled, and all reservations of rights included therein, are hereby denied and overruled on the merits.

1.2 Authorization of DIP Financing.

(a) The Debtors are hereby authorized and empowered to immediately borrow, incur, and guarantee (as applicable), (i) pursuant to the terms and conditions of the Revolver DIP Agreement, loans under the Revolving Credit Facility (A) up to an aggregate principal amount of $85 million in U.S. Revolving Commitments (minus outstanding Canadian Revolving Loans) and (B) up to $5 million in Canadian Revolving Commitments; and (ii) DIP Term Loans, pursuant to the terms and conditions of the DIP Term Loan Agreement, in an aggregate principal amount not to exceed $15 million, with the Initial DIP Term Loan to be

made upon entry of this Interim Order and satisfaction of other conditions set forth in the DIP Term Documents, with the remaining DIP Term Loans to be advanced in accordance with the DIP Loan Documents and consistent with the applicable Approved Budget and the DIP Term Documents.

(b) The Debtors are hereby authorized to (i) borrow under the DIP Facilities during the Interim Financing Period (as defined below) in accordance with, and for the purposes permitted by, the DIP Loan Documents and the Interim Order, (ii) pay all interest, costs, fees, and other amounts and obligations accrued or accruing under the DIP Credit Agreements and other DIP Loan Documents, all pursuant to the terms and conditions of this Interim Order, the DIP Credit Agreements, and the other DIP Loan Documents, in each case during the period commencing on the date of this Interim Order through and including the entry of the Final Order (the "Interim Financing Period"), and (iii) complete the ABL Refinancing (as defined below). The Initial Budget is hereby approved in all respects. The Debtors shall use the proceeds of the DIP Facilities solely in a manner consistent with the Approved Budget and the terms and conditions of the DIP Loan Documents and this Interim Order.

1.3 Financing Documents.

(a) Authorization. The Debtors are hereby authorized and directed to enter into, execute, deliver, and perform all obligations under the DIP Loan Documents. Subject to Section 4.1 hereof, no obligation, payment, transfer, or grant of security hereunder or under the DIP Loan Documents shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable state, federal, or foreign law (including, without limitation, under chapter 5 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common

law), or be subject to any defense, reduction, setoff, counterclaim, recoupment, offset, recharacterization, subordination (whether equitable, contractual or otherwise), cross-claims, or any other challenge under the Bankruptcy Code or any applicable law, rule, or regulation by any person or entity.

(b) Approval; Evidence of Borrowing Arrangements. All terms, conditions, and covenants set forth in the DIP Loan Documents (including, without limitation, each of the DIP Credit Agreements) are approved. All such terms, conditions, and covenants shall be sufficient and conclusive evidence of (i) the borrowing arrangements by and among the Debtors, the DIP Agents, and the DIP Lenders, and (ii) each Debtor's assumption and adoption of, and agreement to comply with, all the terms, conditions, and covenants of each DIP Credit Agreement and the other DIP Loan Documents for all purposes, including, without limitation, to the extent applicable, the payment of all DIP Obligations arising thereunder, including, without limitation, all principal, interest, fees, and other expenses, including, without limitation, all of each DIP Agent's and DIP Lender's closing, arranger, and administrative fees, consultant fees, professional fees, attorney's fees and legal expenses, as more fully set forth in the DIP Loan Documents. Upon effectiveness thereof, the DIP Loan Documents shall evidence the DIP Obligations, which DIP Loan Documents and DIP Obligations shall be valid, binding, and enforceable against the Debtors, their Estates, and any successors thereto, including, without limitation, any trustee appointed in any of these Cases or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of these Cases (collectively, the "Successor Cases"), and their creditors and other parties-in-interest, in each case, in accordance with the terms of this Interim Order and the DIP Loan Documents.

(c) Payment of DIP Fees and Other Expenses. Any and all fees and expenses payable pursuant to the DIP Loan Documents (collectively, any and all such fees and expenses, the "DIP Fees") are hereby approved and the Debtors are hereby authorized and directed to pay, in cash and on a current basis, all reasonable and documented out-of-pocket costs, disbursements, and expenses of the DIP Agents and the DIP Lenders incurred at any time, as provided by the DIP Loan Documents and this Interim Order in accordance with Section 5.15 hereof. The DIP Fees shall not be subject to any offset, defense, claim, counterclaim, or diminution of any type, kind, or nature whatsoever.

(d) Amendments to DIP Loan Documents. Subject to the terms and conditions of the applicable DIP Loan Documents, the Debtors and the applicable DIP Secured Parties may make amendments, modifications, or supplements to any DIP Loan Document, and the DIP Agents (acting at the direction of the Required Lenders (as defined in the DIP Loan Documents) if so required by the applicable DIP Documents) and the DIP Lenders may waive any provisions in the DIP Loan Documents, without further approval of the Court; *provided* that any amendments, modifications, or supplements to any DIP Loan Documents that operate to increase the aggregate commitments, the rate of interest payable thereunder, or existing fees or add new fees thereunder (excluding, for the avoidance of doubt, any amendment, consent or waiver fee) other than as currently provided in the DIP Loan Documents (collectively, the "Material DIP Amendments"), shall be filed with the Court, and the Debtors shall provide prior written notice of the Material DIP Amendment to (i) counsel to the DIP Agents, (ii) counsel to the DIP Lenders, (iii) counsel for each of the Prepetition Secured Parties, (iv) counsel to the Committee, or, in the event no such Committee is appointed at the time of such Material DIP Amendment, the 30 Largest Unsecured Creditors, and (v) the U.S. Trustee; *provided*, that the

consent of the foregoing parties will not be necessary to effectuate any such amendment, modification, or supplement, except that any Material DIP Amendment that is subject to a timely and unresolved objection must be approved by the Court. For the avoidance of doubt, the Debtors must receive written consent as to any Material DIP Amendment prior to filing notice thereof with the Court (i) from the applicable DIP Secured Parties and (ii) from the applicable Prepetition Agents for any amendment, modification, supplement, or waiver that materially adversely affects any rights of any Prepetition Secured Parties hereunder or the treatment of the Prepetition Obligations hereunder.

1.4 Refinancing of Prepetition ABL Obligations. Upon the entry of this Interim Order and the satisfaction or waiver of all other closing conditions in the Revolver DIP Agreement, without any further action by the Debtors or any other party, the Debtors shall be (i) authorized, directed, and deemed to immediately borrow under the Revolver DIP Agreement the full amount necessary to fully and immediately pay off all Prepetition ABL Obligations and (ii) deemed to have contemporaneously fully and indefeasibly repaid all Prepetition ABL Obligations (clauses (i) and (ii) together, the "ABL Refinancing"). Upon entry of this Interim Order, all Bank Products, Cash Management Services, and Letters of Credit (each as defined in the Prepetition ABL Credit Agreement) shall continue in place and all obligations under or in connection therewith shall be subject to the Revolver DIP Agreement and shall constitute Revolver Obligations.

1.5 Continuation of Prepetition Procedures. Except to the extent expressly set forth in the Prepetition Loan Documents, DIP Loan Documents, or in other "first day" orders, all prepetition practices and procedures for the payment and collection of proceeds of the Prepetition Collateral, sweeping, the turnover of cash, the delivery of property to the Prepetition

Agents and the Prepetition Lenders, including the Control Agreements (as such term is defined in the Prepetition Credit Agreements) and any other similar lockbox or blocked depository bank account arrangements, are hereby approved and shall continue without interruption.

1.6 Indemnification. The Debtors are authorized to indemnify and hold harmless the DIP Agents, each DIP Lender, and, solely in their capacities as such, each of their respective successors, assigns, affiliates, parents, subsidiaries, partners, controlling persons, representatives, agents, attorneys, advisors, financial advisors, consultants, professionals, officers, directors, members, managers, shareholders and employees, past, present and future, and their respective heirs, predecessors, successors and assigns (each, an "Indemnified Party"), in accordance with, and subject to, the DIP Loan Documents, which indemnification is hereby authorized and approved.

Section 2. Postpetition Lien; Superpriority Administrative Claim Status.

2.1 Postpetition Lien.

(a) Postpetition DIP Lien Granting. To secure performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of any and all DIP Obligations of the Debtors to the DIP Secured Parties of whatever kind, nature, or description, whether absolute or contingent, now existing or hereafter arising, the DIP Agents, for the benefit of themselves and the DIP Lenders, shall have and are hereby granted, effective as of the Petition Date, continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected security interests in and liens (such security interests and liens as to the Revolver Facility, the "Revolver DIP Liens" and, such security interests and liens as to the DIP Term Loan Facility, the "DIP Term Loan Liens," and, collectively, the "DIP Liens") in and upon all DIP Collateral, subject to the priority set forth in Section 2.1(b) below and as set forth on **Exhibit D** hereto.

(b) DIP Lien Priority in DIP Collateral.

(i) Revolver DIP Liens Priority. The Revolver DIP Liens on the DIP Collateral securing the Obligations (as defined in the Revolver DIP Agreement) shall be first and senior in priority to all other interests and liens of every kind, nature, and description, whether created consensually, by an order of the Court or otherwise, including, without limitation, liens or security interests granted in favor of third parties in conjunction with sections 363, 364, or any other section of the Bankruptcy Code or other applicable law; *provided, however*, that the Revolver DIP Liens on (A) the Prepetition ABL Priority Collateral (whether in existence on the Petition Date or hereafter arising) shall be subject to the Carve Out and certain Permitted Liens (as defined in the Revolver DIP Documents); (B) the Prepetition Term Loan Priority Collateral (whether in existence on the Petition Date or hereafter arising) shall be subject to the Carve Out, such Permitted Liens, the Prepetition First Lien Term Loan Liens, the DIP Term Loan Liens, the Prepetition Term Loan Adequate Protection Liens, the Prepetition 1.5 Lien Term Loan Liens, and the Prepetition Second Lien Term Loan Liens; (C) the Canadian Collateral shall be subject to any CCAA statutory charge to the extent set forth in the CCAA Order, and (D) any other assets of the Debtors that were not subject to any validly perfected liens or security interest as of the Petition Date, shall be *pari passu* with the Prepetition Term Loan Adequate Protection Liens granted in favor of the Prepetition First Lien Secured Parties, in each case as such priorities are set forth in **Exhibit D**.[4]

(ii) DIP Term Loan Liens Priority. The DIP Term Loan Liens on the DIP Collateral securing the DIP Term Loan Obligations shall be first and senior in priority to all other interests and liens of every kind, nature, and description, whether created

[4] In the event of any conflict or inconsistency between the terms and provisions of this Interim Order and Exhibit D, Exhibit D shall control.

consensually, by an order of the Court or otherwise, including, without limitation, liens or interests granted in favor of third parties in conjunction with sections 363, 364, or any other section of the Bankruptcy Code or other applicable law; *provided, however*, that the DIP Term Loan Liens on (A) the Prepetition ABL Priority Collateral (whether in existence on the Petition Date or hereafter arising) shall be subject to the Carve Out, certain permitted senior liens, the Revolver DIP Liens, and the Prepetition Term Loan Adequate Protection Liens granted in favor of the Prepetition First Lien Secured Parties and the Prepetition First Lien Term Loan Liens; (B) the Prepetition Term Loan Priority Collateral (whether in existence on the Petition Date or hereafter arising) shall be subject to the Carve Out, certain permitted senior liens, the Prepetition Term Loan Adequate Protection Liens granted in favor of the Prepetition First Lien Secured Parties, and the Prepetition First Lien Term Loan Liens; (C) the Canadian Collateral shall be subject to the Revolver DIP Liens, the Carve Out, and certain CCAA statutory charges to the extent set forth in the CCAA Order; and (D) any unencumbered assets as of the Petition Date, including, subject to entry of the Final Order, Avoidance Proceeds, shall be subject to the Carve Out, such permitted liens, the Revolver DIP Liens, and the Prepetition Term Loan Adequate Protection Liens granted in favor of the Prepetition First Lien Secured Parties, in each case as such priorities are set forth in **Exhibit D**.

(c) Postpetition Lien Perfection. This Interim Order shall be sufficient and conclusive evidence of the priority, perfection, and validity of the DIP Liens, the Prepetition Term Loan Adequate Protection Liens, and the other security interests granted herein, effective as of the Petition Date, without any further act and without regard to any other federal, state, or local requirements or law requiring notice, filing, registration, recording, or possession of the DIP Collateral, or other act to validate or perfect such security interest or lien, including, without

limitation, control agreements with any financial institution(s) party to a Control Agreement or other depository account consisting of DIP Collateral, or requirement to register liens on any certificates of title (a "Perfection Act"). Notwithstanding the foregoing, if any DIP Agent or Prepetition Term Loan Agent, as applicable, shall, in its sole discretion, elect for any reason to file, record, or otherwise effectuate any Perfection Act, then such DIP Agent or Prepetition Term Loan Agent, as applicable, is authorized to perform such act, and the Debtors and Guarantors are authorized and directed to perform such act to the extent necessary or required by the DIP Loan Documents, which act or acts shall be deemed to have been accomplished as of the date and time of entry of this Interim Order notwithstanding the date and time actually accomplished, and, in such event, the subject filing or recording office is authorized to accept, file, or record any document in regard to such act in accordance with applicable law. The DIP Agents or Prepetition Term Loan Agents, as applicable, may choose to file, record, or present a certified copy of this Interim Order in the same manner as a Perfection Act, which shall be tantamount to a Perfection Act, and, in such event, the subject filing or recording office is authorized to accept, file, or record such certified copy of this Interim Order in accordance with applicable law. Should any DIP Agent or Prepetition Term Loan Agent, as applicable, so choose and attempt to file, record, or perform a Perfection Act, no defect or failure in connection with such attempt shall in any way limit, waive, or alter the validity, enforceability, attachment, priority, or perfection of the postpetition liens and security interests granted herein by virtue of the entry of this Interim Order.

(d) To the extent that any applicable non-bankruptcy law otherwise would restrict the granting, scope, enforceability, attachment, or perfection of any liens and security interests granted and created by this Interim Order (including the DIP Liens and the

Prepetition Term Loan Adequate Protection Liens) or otherwise would impose filing or registration requirements with respect to such liens and security interests, such law is hereby pre-empted to the maximum extent permitted by the Bankruptcy Code, applicable federal or foreign law, and the judicial power and authority of this Court; *provided, however,* that nothing herein shall excuse the Debtors from payment of any local fees, if any, required in connection with such liens. By virtue of the terms of this Interim Order, to the extent that any DIP Agent or Prepetition Term Loan Agent, as applicable, has filed Uniform Commercial Code financing statements, mortgages, deeds of trust, or other security or perfection documents under the names of any of the Debtors (including all Guarantors), such filings shall be deemed to properly perfect its liens and security interests granted and confirmed by this Interim Order without further action by the applicable DIP Agent or Prepetition Term Loan Agent, as applicable.

(e) Except as provided in section 2.3 herein, the DIP Liens, the DIP Superpriority Claims, the Prepetition Term Loan Adequate Protection Liens, and the Prepetition Term Loan Adequate Protection Claims (i) shall not be made subject to or *pari passu* with (A) any lien, security interest, or claim heretofore or hereinafter granted in any of these Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their Estates, any trustee, or any other estate representative appointed or elected in these Cases or any Successor Cases and/or upon the dismissal of any of these Cases or any Successor Cases; (B) any lien that is avoided and preserved for the benefit of the Debtors and their Estates under section 551 of the Bankruptcy Code or otherwise; and (C) any intercompany or affiliate lien or claim; and (ii) shall not be subject to sections 510, 549, 550, or 551 of the Bankruptcy Code.

2.2 Superpriority Administrative Expenses.

(a) DIP Loans. Subject to the priorities set forth on **Exhibit D** and the Carve Out, all DIP Obligations now existing or hereafter arising pursuant to this Interim Order, the DIP Loan Documents, or otherwise, the DIP Agents, for the benefit of themselves and the DIP Lenders, are granted an allowed superpriority administrative expense claim pursuant to section 364(c)(1) of the Bankruptcy Code, having priority in right of payment over any and all other obligations, liabilities, and indebtedness of the Debtors, whether now in existence or hereafter incurred by the Debtors, and over any and all administrative expenses or priority claims of the kind specified in, or ordered pursuant to, *inter alia*, sections 105, 326, 328, 330, 331, 364(c)(1), 503(b), 507(a), 507(b), 546(c), 1113, or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment, which allowed superpriority administrative claim shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof (including, subject to entry of the Final Order, proceeds of Avoidance Actions) (such superpriority administrative expense claim as to the Revolver Facility, the "Revolver Superpriority Claim," and, as to such superpriority administrative expense claim as to the DIP Term Loan Facility, the "DIP Term Loan Superpriority Claim," and, collectively, the "DIP Superpriority Claims").

2.3 Carve Out Provisions.

(a) For purposes of this Interim Order, "Carve Out" shall mean the sum of: (i) all fees required to be paid to the Clerk of the Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate; (ii) all reasonable fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the

Bankruptcy Code (the "Chapter 7 Trustee Carve-Out"), which amount may be modified in connection with the final hearing; (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees, costs, disbursements and expenses (the "Allowed Professional Fees") incurred or earned by persons or firms retained by the Debtors pursuant to sections 327, 328, or 363 of the Bankruptcy Code or Canadian counsel for the Debtors (the "Debtor Professionals") and the Committee pursuant to sections 328 or 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons") at any time before or on the first business day following delivery by either of the DIP Agents of a Carve Out Trigger Notice (as defined below), whether allowed by the Court prior to, on or after delivery of a Carve Out Trigger Notice (the amounts in (i) – (iii), collectively, the "Pre-Trigger Carve Out Cap"); and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $1,000,000 incurred after the first business day following delivery by either of the DIP Agents of the Carve Out Trigger Notice (such date, the "Trigger Date"), to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "Post-Carve Out Trigger Notice Cap" and such amounts set forth in clauses (i) through (iv), the "Carve Out Cap"); *provided* that nothing herein shall be construed to impair any party's ability to object to court approval of the fees, expenses, reimbursement of expenses or compensation of any Professional Person. For purposes of the foregoing, "Carve Out Trigger Notice" shall mean a written notice delivered by email by either of the DIP Agents to the Debtors, their lead restructuring counsel, the U.S. Trustee, counsel to each of the Prepetition Agents, and counsel to the Committee, if any (collectively, the "Carve Out Trigger Notice Parties"), which notice shall be delivered upon the expiration of the Remedies Notice Period, and shall describe in reasonable

detail such Event of Default that is alleged to have occurred and to be continuing at the end of such Remedies Notice Period and stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) On the date on which a Carve Out Trigger Notice is given by either of the DIP Agents to the Carve Out Trigger Notice Parties (the "Termination Declaration Date"), the Carve Out Trigger Notice shall (i) be deemed an irrevocable draw request and notice of borrowing by the Debtors for DIP Term Loans under the DIP Term Loan Facility as further described in clause (c) below, in an amount equal to the lesser of (x) the Pre-Trigger Carve Out Cap and (y) the unused DIP Term Loan Commitments (determined without regard to any limitation thereon resulting from any Default or Event of Default, failure to satisfy the CBA Milestone (as defined in the DIP Term Loan Agreement) or otherwise), and (ii) constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter generated by the Debtors to fund the Carve Out Account (as defined below) up to the Carve Out Cap, but only after giving effect to the funding contemplated by clause (i) and the amounts funded by the Revolving Lenders contemplated by section 2.1(d) of the Revolver DIP Agreement (the "Revolver Advance"). Any such amounts advanced by the DIP Term Secured Parties pursuant to this Section 2.3(b)(i) shall constitute DIP Term Loans.

(c) On the first business day after the Termination Declaration Date (or as soon thereafter as the amount of the Pre-Trigger Carve Out Cap has been determined), notwithstanding anything in the DIP Term Documents to the contrary, including with respect to the existence of a Default or an Event of Default (each as defined in the DIP Term Documents), the failure of the Debtors to satisfy any or all of the conditions precedent for the funding of DIP Term Loans, including the CBA Milestone or entry of the Final Order, or any termination of the

DIP Term Loan Commitments, or as a result of an event or events giving rise to the Termination Declaration Date, (i) each DIP Term Lender with an outstanding DIP Term Loan Commitment (on a pro rata basis based on the then outstanding DIP Term Loan Commitments) shall make available to the DIP Term Administrative Agent such DIP Term Lender's pro rata share of the borrowing contemplated by clause (b)(i) of this Section 2.3 and (ii) the DIP Term Administrative Agent shall fund such amount into the Carve Out Account.

(d) Upon delivery of a Carve Out Trigger Notice, and prior to the payment to any DIP Secured Party or Prepetition Secured Party on account of any adequate protection or otherwise, the Debtors shall be required to deposit, in a segregated account not subject to the control of the DIP Agents, the DIP Secured Parties or the Prepetition Secured Parties (the "Carve Out Account"), in an amount equal to the Carve Out Cap (i) the proceeds of the DIP Term Loans made pursuant to clause (c) above, (ii) the Revolver Advance, (iii) cash available on the Termination Declaration Date after giving effect to the DIP Term Loans and the Revolver Advances under clauses (i) and (ii) above, and (iv) with available cash from time to time after the Termination Declaration Date after giving effect to the DIP Term Loans, the Revolver Advances and cash contributions under clauses (i), (ii) and (iii) above. The funds on deposit in the Carve Out Account shall only be available to satisfy the obligations set forth in the definition of Carve Out, and the DIP Agents, the DIP Secured Parties and the Prepetition Secured Parties (x) shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of assets) of the Debtors to the extent necessary to fund the Carve Out Account as provided above and (y) shall have a security interest upon any residual amount in the Carve Out Account available following satisfaction in cash in full of all obligations benefiting from the Carve Out as further described in clause (e) below. Notwithstanding the

foregoing, so long as a Carve Out Trigger Notice has not been issued, the Debtors shall be permitted to pay fees to the Professional Persons and reimburse expenses incurred by Professional Persons and that are allowed or authorized by the Court and payable under sections 328, 330, 331, and 1103 of the Bankruptcy Code and compensation procedures approved by the Court, as the same may be due and payable, it being understood that the Pre-Trigger Carve Out Cap shall be reduced by actual payments of allowed Professional Fees included in the Pre-Trigger Carve Out Cap made after the Termination Declaration Date. Notwithstanding anything to the contrary in this Interim Order, (A) the failure of the Carve Out Account to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out and (B) in no way shall the Approved Budget, the Carve Out, the Carve Out Trigger Notice, the Pre-Trigger Carve Out Cap, the Post-Carve Out Trigger Notice Cap, or any of the foregoing be construed as a cap or limitation on the amount of Allowed Professional Fees due and payable to the Professional Persons. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis. Any funding of the Carve Out by the DIP Term Lenders shall be added to, and made a part of, the DIP Term Obligations secured by the DIP Collateral and shall be otherwise entitled to the protections granted under this Interim Order, the DIP Documents, the Bankruptcy Code, and applicable law.

(e) All funds in the Carve Out Account shall be used first to pay all obligations set forth in clauses (i) through (iii) of the definition of Carve Out, until paid in full, and then the obligations set forth in clause (iv) thereof. If, after paying all amounts set forth in the definition of Carve Out, the Carve Out Account has not been reduced to zero, all remaining funds in the Carve Out Account that are funded pursuant to Section 2.3(d)(iii) out of (I) the

Prepetition ABL Priority Collateral or proceeds thereof shall be distributed first to the Revolver Administrative Agent on account of the Revolver Obligations until indefeasibly paid in full, with the balance distributed to the Prepetition First Lien Agent on account of the Prepetition First Lien Obligations until indefeasibly paid in full, and (II) the Prepetition Term Loan Priority Collateral or proceeds thereof shall be distributed first to the Prepetition First Lien Agent on account of the Prepetition First Lien Obligations until indefeasibly paid in full, with the balance distributed to the Revolver Administrative Agent on account of the Revolver Obligations until indefeasibly paid in full.

(f) To the extent the Carve Out Account is funded pursuant to Section 2.3(d) with cash proceeds of DIP Collateral, then, the Revolver Secured Parties and the Prepetition First Lien Secured Parties shall negotiate in good faith with respect to an allocation methodology so that the Revolver Secured Parties and the Prepetition First Lien Secured Parties effectively share the cost of funding the Carve Out.

(g) No portion of the Carve Out, any Cash Collateral or proceeds of the DIP Facility or DIP Collateral may be used for or in connection with (i) preventing, hindering, or delaying any of the DIP Agents' or other DIP Secured Parties' enforcement or realization upon the DIP Collateral following the expiration of the Remedies Notice Period, (ii) using or seeking to use Cash Collateral or selling or otherwise disposing of DIP Collateral in a manner not permitted by the DIP Loan Documents, or (iii) incurring any indebtedness other than the DIP Facilities, as otherwise permitted by the DIP Loan Documents or as authorized by the Court.

2.4 Prepetition Term Loan Secured Lenders' Adequate Protection.

(a) Adequate Protection Claims and Liens. The Prepetition Term Loan Secured Parties are entitled, pursuant to sections 361, 363(e), and 364(d)(1) of the Bankruptcy Code and *nunc pro tunc* to the Petition Date, to adequate protection of their respective interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate Diminution in Value of the Prepetition Term Loan Secured Parties' respective interests in the Prepetition Collateral from and after the Petition Date (each such Prepetition Term Loan Secured Party's claim, a "Prepetition Term Loan Adequate Protection Claim"). On account of such Prepetition Term Loan Adequate Protection Claims, the Prepetition Term Loan Secured Parties are hereby granted the following, in each case subject to the Carve Out (collectively, the "Adequate Protection"):

(i) Prepetition Term Loan Adequate Protection Liens. The Prepetition Term Loan Secured Parties are hereby granted (effective and perfected upon the date of this Interim Order and without the necessity of any Perfection Act) valid and perfected postpetition replacement security interests in and liens upon the DIP Collateral (other than the Canadian Collateral) (the "Prepetition Term Loan Adequate Protection Liens"), which liens shall: (i) be subject and subordinate to the Carve Out and certain existing permitted liens; (ii) be senior to all other security interests in, liens on, or claims against the Prepetition Term Loan Priority Collateral, whether now existing or hereafter arising or acquired, but subject and subordinate, solely in the case of the Prepetition Term Loan Adequate Protection Liens granted in favor of the Prepetition 1.5 Lien Secured Parties and the Prepetition Second Lien Secured Parties, to the Prepetition Term Loan Adequate Protection Liens granted in favor of the Prepetition First Lien Secured Parties, the Prepetition First Lien Term Loan Liens, and DIP Term

Loan Liens; (iii) be junior to the security interests in, liens on, and claims against the Prepetition ABL Priority Collateral, whether now existing or hereafter arising or acquired, of the Revolver Secured Parties, the Prepetition ABL Secured Parties, and the Prepetition First Lien Secured Parties, including on account of the Prepetition Term Loan Adequate Protection Liens granted to the Prepetition First Lien Secured Parties; and (iv) in each case, for the avoidance of doubt, shall have the priorities set forth in **Exhibit D** hereto.

(ii) Adequate Protection Payments. The Debtors are authorized and directed to pay to the Prepetition First Lien Secured Parties on the last business day of each calendar month after the entry of the Interim Order, in each case in an amount equal to all accrued and unpaid prepetition or postpetition interest (at the non-default rate), fees, and costs under the Prepetition First Lien Credit Agreement. For the avoidance of doubt, the payment of interest pursuant to this paragraph shall be without prejudice to the rights of the Prepetition First Lien Secured Parties to assert claims for payment of interest at the default rate in accordance with the Prepetition First Lien Credit Agreement; and

(iii) Section 507(b) Claim. The Prepetition Term Loan Adequate Protection Claims granted to the Prepetition Term Loan Secured Parties shall also be allowed superpriority administrative expense claims pursuant to sections 503(b), 507(a), and 507(b) of the Bankruptcy Code (the "Superpriority Claim"), which Superpriority Claim shall be an allowed claim against each of the Debtors (jointly and severally), with priority (except as otherwise provided herein) over any and all administrative expenses and all other claims against the Debtors now existing or hereafter arising, of any kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and all other administrative expenses or other claims arising under any other provision of the Bankruptcy Code, including, without limitation, sections 105, 326, 327,

328, 330, 331, 503(b), 507(a), 507(b), or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy, or attachment. The Superpriority Claims shall be payable from and have recourse to all pre- and post-petition property of the Debtors, subject to the Carve Out and the priorities set forth in **Exhibit D**.

(b) Reporting. The Debtors shall timely provide the Prepetition Secured Parties with (x) reasonable access to the Debtors' facilities, management, books, and records required under the Prepetition Documents and (y) copies of all financial reporting provided to the DIP Lenders pursuant to the DIP Documents substantially simultaneously with such delivery to the DIP Lenders.

(c) Fees and Expenses. The Debtors are authorized and directed to pay: (i) on the date of the first advance under the DIP Facilities, all outstanding prepetition reasonable and documented fees and out-of-pocket expenses of counsel and financial advisors to those certain Prepetition Secured Parties represented by Schulte Roth & Zabel LLP; and (ii) on an ongoing basis, from time to time after the Petition Date, and without duplication, all reasonable and documented fees and out-of-pocket expenses incurred by such Prepetition Secured Parties and required to be paid by the Debtors under the Prepetition Credit Agreements (but no more than one set of primary counsel for each of the Prepetition First Lien Secured Parties (taken as a whole) and the Prepetition Junior Lien Secured Parties (taken as a whole)), including the reasonable and documented fees and out-of-pocket expenses of (and their respective local counsel) (A)(i) Buchalter, P.C., counsel to the Prepetition ABL Agent, the Revolver Administrative Agent, and Wells in its capacity as a Revolver Lender, (ii) Goodmans LLP, as Canadian counsel to the Prepetition ABL Agent and Revolver Administrative Agent,

(iii) Burr & Forman LLP, as local counsel to the Prepetition ABL Agent and the Revolver Administrative Agent, and (iv) Vorys, Sater, Seymour and Pease LLP, as counsel to Fifth Third Bank, in its capacity as a Revolver Lender, (B) (i) Schulte Roth & Zabel LLP, counsel to certain of the Prepetition First Lien Secured Parties, (ii) Cassels Brock & Blackwell LLP, as Canadian counsel to the Prepetition First Lien Secured Parties, and (iii) Kikpatrick Townsend & Stockton LLP, as local counsel to the Prepetition First Lien Secured Parties, (C)(i) Kirkland & Ellis LLP, counsel to certain of the Prepetition Term Loan Secured Parties, (ii) Bennett Jones LLP, as Canadian counsel to certain of the Prepetition Term Loan Secured Parties, and (iii) Bryan Cave Leighton Paisner LLP, as local counsel to certain of the Prepetition Term Loan Secured Parties, and (D) PJT Partners, Inc., financial advisor to certain of the Prepetition Term Loan Secured Parties (such professionals, the "Adequate Protection Professionals," and such fees and expenses, collectively, the "Adequate Protection Professional Fees and Expenses").

(d) With respect to Adequate Protection Professional Fees and Expenses incurred postpetition, such Adequate Protection Professionals shall deliver an invoice in summary form (which shall not be required to include time entry detail and may be redacted for privileged information) to the Debtors, the U.S. Trustee, and any Committee, with a copy of such invoices delivered simultaneously to the DIP Lenders, the DIP Agent, and the Prepetition First Lien Agent. If no written objection is received by 12:00 p.m., prevailing Eastern Time, on the date that is ten (10) business days after delivery of such invoice to the Debtors, the U.S. Trustee, and any Committee, the Debtors shall promptly pay such fees and expenses in full. If an objection to a professional's invoice is timely received, the Debtors shall promptly pay the undisputed amount of the invoice, and this Court shall have jurisdiction to determine the disputed portion of such invoice if the parties are unable to resolve the dispute consensually.

The Adequate Protection Professionals shall not be required to comply with the U.S. Trustee fee guidelines or file applications or motions with, or obtain approval of, the Court for the payment of any of their fees or out-of-pocket expenses (other than with respect to disputed amounts). Payments of any amounts set forth in this paragraph are not subject to recharacterization, avoidance, subordination, or disgorgement.

Section 3. Default; Waivers; Rights and Remedies; Relief from Stay.

3.1 Events of Default. The occurrence of (i) any "Event of Default" as that term is defined in each of the DIP Credit Agreements; (ii) any failure to meet or satisfy any Milestone in accordance with the applicable DIP Credit Agreement; (iii) the Maturity Date under any DIP Credit Agreement; or (iv) any material violation, breach, or default by any Debtor with respect to any of its obligations under this Interim Order, shall constitute a "DIP Termination Event" hereunder unless waived in writing by the applicable DIP Secured Parties and in accordance with the applicable DIP Loan Documents.

3.2 Debtors' Waivers.

(a) Prior to the payment in full of all Prepetition Obligations and all DIP Obligations, any request by the Debtors with respect to the following shall also constitute a DIP Termination Event: (i) to obtain postpetition loans or other financial accommodations pursuant to section 364(c) or 364(d) of the Bankruptcy Code that does not provide for the repayment in full of the DIP Obligations, other than as provided in this Interim Order or as may be otherwise permitted pursuant to the DIP Loan Documents; (ii) to challenge the application of any payments authorized by this Interim Order pursuant to section 506(b) of the Bankruptcy Code; (iii) to file a motion seeking approval of any sale or restructuring transaction other than the Sale Transaction; (iv) to propose or support any challenge by any party in interest to seek to limit or prevent the DIP Lenders, the Prepetition Lenders, or the Purchaser from exercising their credit

bid rights in connection with the sale of any assets of the Debtors, including the Stalking Horse Credit Bid; or (v) to seek relief under the Bankruptcy Code, including, without limitation, under section 105 of the Bankruptcy Code, to the extent any such relief would restrict or impair (A) the rights and remedies of any of the DIP Agents or the DIP Lenders against the Debtors as provided in this Interim Order or any of the DIP Loan Documents or (B) the exercise of such rights or remedies by any of the DIP Agents or the DIP Lenders against the Debtors in accordance with the DIP Credit Agreements or this Interim Order; *provided, however*, that the DIP Agents may otherwise consent in writing, but no such consent shall be implied from any other action, inaction, or acquiescence by DIP Agents or any DIP Lender.

(b) Other than as contemplated by the Sale Motion, it shall also be a DIP Termination Event under the respective DIP Facility if, prior to the payment in full of such DIP Facility, the Debtors propose or support any chapter 11 plan or sale of all or substantially all of the Debtors' assets, or order confirming such plan or approving such sale, that is not conditioned upon the payment of the DIP Obligations (other than indemnities then due and payable) in full in cash and the payment of the Debtors' obligations with respect to the adequate protection hereunder, in full in cash, within a commercially reasonable period of time, and in any event no later than the effective date of such chapter 11 plan or sale, without the written consent of the DIP Agents and the DIP Lenders.

3.3 [Reserved].

3.4 Rights and Remedies upon a DIP Termination Event. During the period covered by this Interim Order, after five (5) calendar days following the delivery of a written notice of the occurrence of and during the continuance of a DIP Termination Event (the "Remedies Notice Period"), the DIP Agents shall each be entitled to independently take any act

or exercise any right or remedy as provided in this Interim Order or any DIP Loan Document, as applicable, including, without limitation, (i) declare all DIP Obligations owing under their respective DIP Loan Documents to be immediately due and payable; (ii) terminate, reduce, or restrict any commitment to extend additional credit to the Debtors to the extent any such commitment remains (including provision of any Letters of Credit); (iii) terminate the DIP Facilities and any DIP Loan Document as to any future liability or obligation of the DIP Secured Parties, but without affecting any of the DIP Obligations or the DIP Liens securing the DIP Obligations; (iv) terminate and/or revoke the Debtors' right, if any, under this Interim Order and the other DIP Loan Documents to use any Cash Collateral and all authority to use Cash Collateral shall cease; (v) invoke the right to charge interest at the default rate under the DIP Loan Documents; and/or (vi) stop lending; *provided* that any termination of the DIP Term Loan Facility or cessation of lending or exercise of remedies thereunder shall be subject to the funding of the Carve Out Cap pursuant to Section 2.3 herein. For the avoidance of doubt, notwithstanding the foregoing, during the Remedies Notice Period, the Debtors may use Cash Collateral in amounts that the Debtors have determined in good faith are necessary to the preservation of the Debtors and their Estates, including funding payroll and paying other administrative expenses, all in accordance with the Approved Budget, or that have otherwise been approved in advance in writing by the applicable DIP Lenders.

3.5 Modification of Automatic Stay. The automatic stay provisions of section 362 of the Bankruptcy Code and any other restriction imposed by an order of the Court or applicable law are hereby modified without further notice, application, or order of the Court to the extent necessary to (i) permit the DIP Agents to perform any act authorized or permitted under or by virtue of this Interim Order, the DIP Credit Agreements, or the other DIP Loan

Documents, as applicable, including, without limitation, (A) to implement the postpetition financing arrangements authorized by this Interim Order, (B) to take any act to create, validate, evidence, attach or perfect any lien, security interest, right or claim in the DIP Collateral, (C) to assess, charge, collect, advance, deduct and receive payments with respect to the Prepetition Obligations and DIP Obligations (or any portion thereof), including, without limitation, all interests, fees, costs, and expenses permitted under any of the DIP Loan Documents and apply such payments to the Prepetition Obligations, and (D) subject to the Remedies Notice Period, to take any action and exercise all rights and remedies provided to it by this Interim Order, the DIP Loan Documents, or applicable law; and (ii) permit the Purchaser to terminate the Stalking Horse Agreement in accordance with its terms and to deliver any notice or election contemplated thereunder. Notwithstanding the foregoing, the DIP Agents shall provide notice to the Prepetition Agents at least five (5) calendar days prior to the exercise of the actions outlined in clause (D) of this section.

Section 4. Representations and Covenants.

4.1 Reservation of Third Party Challenge Rights. The stipulations, releases, agreements, and admissions contained in this Interim Order, including, without limitation, paragraph E hereof, and the releases contained in clause (xii) thereof (collectively, the "Debtors' Stipulations"), shall be binding on the Debtors in all circumstances. The Debtors' Stipulations shall be binding on each other party in interest, including, without limitation, the Committee (if any), unless, and solely to the extent that (a) any such party in interest, including the Committee (if any), with standing and requisite authority has timely commenced an adversary proceeding or other appropriate contested matter (subject to the limitations contained herein, including, *inter alia*, in this Section 4.1) by no later than (i) the earlier of (A) if no Committee has been appointed, 75 calendar days from the date of entry of this Interim Order, (B) if a Committee has

been appointed, 60 calendar days after the date of formation of such Committee, or (C) the date objections to the Sale Transaction are due, and (ii) any such later date as has been agreed to, in writing, by the applicable Prepetition Agent (with the consent of the applicable Prepetition Secured Parties) (such time period established by the foregoing clauses (i) and (ii), the "Challenge Period") against the Prepetition Secured Parties in connection with matters related to the Prepetition Credit Agreements, the Prepetition Obligations, the Prepetition Liens, and the Prepetition Collateral, and notwithstanding the ABL Refinancing, including by (A) objecting to or challenging the amount, validity, perfection, enforceability, priority, or extent of the Prepetition Obligations or Prepetition Liens, or (B) otherwise asserting or prosecuting any action for preferences, fraudulent transfers or conveyances, other avoidance power claims or any other claims, counterclaims, or causes of action, objections, contests, or defenses with respect to the Prepetition Obligations or Prepetition Liens (a "Challenge Proceeding") and (b) there is a final, non-appealable order in favor of the plaintiff sustaining any Challenge Proceeding in any such timely filed adversary proceeding or contested matter; *provided* that any pleadings filed in connection with any Challenge Proceeding shall set forth with specificity the basis for such Challenge and any challenges or claims not so specified prior to the expiration of the Challenge Period shall be deemed forever waived, released, and barred. For the avoidance of doubt, a party in interest's commencement of a timely Challenge Proceeding shall preserve the Challenge Period only with respect to such party in interest commencing the Challenge Proceeding. If no such Challenge Proceeding is timely commenced, then: (v) the Debtors' stipulations, admissions, agreements, and releases contained in this Interim Order, including, without limitation, those contained in paragraph E of this Interim Order, and the releases contained in clause (xii) thereof, shall be binding on all parties in interest, (w) any and all Challenge

Proceedings by any party (including, without limitation, the Committee, any chapter 11 trustee, or any examiner and/or other estate representative appointed or elected in these Cases, and any chapter 7 trustee and/or examiner or other estate representative appointed or elected in any Successor Case) shall be deemed to be forever waived, released, and barred; (x) to the extent not theretofore repaid, the Prepetition Obligations shall constitute allowed claims, not subject to counterclaim, setoff, subordination, recharacterization, reduction, defense or avoidance, for all purposes in these Cases and any subsequent chapter 7 case; (y) the Prepetition Liens on the Prepetition Collateral shall be deemed to have been, as of the Petition Date, and to be, legal, valid, binding, perfected and of the priority specified in paragraph E hereof, not subject to defense, counterclaim, recharacterization, subordination or avoidance; and (z) the obligations under the Prepetition Credit Agreements and the Prepetition Liens on the Prepetition Collateral shall not be subject to any other or further challenge by the Debtors, the Committee (if any) or any other party in interest, each of whom shall be enjoined from seeking to exercise the rights of the Debtors' estates, including, without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors with respect thereto). If any Challenge Proceeding is timely commenced, the stipulations, releases, agreements, and admissions contained in paragraph E of this Interim Order, and the releases contained in clause (xii) thereof, shall nonetheless remain binding and preclusive (as provided in this paragraph) on the Debtors, the Committee (if any), and any other person or entity, except as to any such findings and admissions that were expressly and successfully challenged in such Challenge Proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction. Nothing in this Interim Order vests or confers on any Person (as defined in the Bankruptcy Code), including the Committee (if any), standing or

authority to pursue any cause of action belonging to the Debtors or their estates, including, without limitation, claims and defenses with respect to the Prepetition Credit Agreements or the Prepetition Liens on the Prepetition Collateral.

4.2 Revolver Administrative Agent Support of Restructuring Transactions. The Revolver Administrative Agent confirms and agrees that it shall:

(a) support the Restructuring Transactions in the form of:

(i) providing the Revolver Facility pursuant to the terms and conditions in the Revolver Loan Documents;

(ii) not objecting to the Sale Transaction;

(iii) not objecting to the Purchaser's right to credit bid the Prepetition Obligations under the Junior Credit Agreements and the DIP Obligations under the DIP Term Loan Agreement, including the Stalking Horse Credit Bid;

(iv) not objecting to the Sale Motion, Bidding Procedures Order, or the order approving the Sale Transaction (the "Sale Order"); *provided* that, for the avoidance of doubt, none of the foregoing (a)(i)-(iv) shall in any way affect the Revolver Secured Parties' rights under the Revolver DIP Documents, including, *inter alia*, their consent and approval rights with respect to the form and substance of the Bidding Procedures Order and the Sale Order and the Revolver Secured Parties' right to file, and be heard regarding, an objection on that basis; and

(b) not object to, impede, or take any action to interfere with:

(i) the acceptance, implementation, or consummation of the Restructuring Transactions;

(ii) the Purchaser's right to credit bid the Prepetition

Obligations under the Junior Credit Agreements and the DIP Obligations under the DIP Term Loan Agreement, including the Stalking Horse Credit Bid; *provided* that, for the avoidance of doubt, none of the foregoing (b)(i)-(ii) shall in any way affect the Revolver Secured Parties' rights under the Revolver DIP Documents, including, *inter alia*, their consent and approval rights with respect to the form and substance of the Bidding Procedures Order and the Sale Order and the Revolver Secured Parties' right to file, and be heard regarding, an objection on that basis; and

(c) use commercially reasonable efforts as a commercial lender to obtain approvals for the Exit Revolving Facility (as defined in the Restructuring Support Agreement in effect as of the date hereof) and negotiate in good faith the definitive documentation for the Exit Revolving Facility by no later than the hearing on the bidding procedures contemplated by the Sale Motion.

Section 5. Other Rights and DIP Obligations.

5.1 No Modification or Stay of this Interim Order. The DIP Agents and the DIP Lenders have acted in good faith in connection with the DIP Facilities and with this Interim Order, and their reliance on this Interim Order is in good faith, and the DIP Agents and the DIP Lenders are entitled to the protections of Bankruptcy Code section 364(e).

5.2 Rights of Access and Information. The Debtors shall comply with the rights of access and information afforded to the DIP Secured Parties under the DIP Loan Documents and the Prepetition Secured Parties under the Prepetition Loan Documents.

5.3 Power to Waive Rights; Duties to Third Parties.

(a) Subject to the terms of the DIP Loan Documents, the DIP Agents shall have the right (acting at the direction of the Required Lenders (as defined in the applicable DIP Loan Documents) if so required by the applicable DIP Loan Documents) to waive any of the terms, rights, and remedies provided or acknowledged in this Interim Order that are in favor of

the DIP Lenders (the "DIP Lender Rights"), and shall have no obligation or duty to any other party with respect to the exercise or enforcement, or failure to exercise or enforce, any DIP Lender Right(s); *provided* that the DIP Agents shall obtain the prior written consent of the Prepetition First Lien Agent for any waiver that affects any rights of the Prepetition First Lien Secured Parties hereunder or any treatment of the Prepetition First Lien Obligations. Any waiver by the DIP Agents of any DIP Lender Rights shall not be nor shall it constitute a continuing waiver unless otherwise expressly provided therein. Any delay in or failure to exercise or enforce any DIP Lender Right shall neither constitute a waiver of such DIP Lender Right, subject the DIP Agents or any DIP Lender to any liability to any other party, nor cause or enable any party other than the Debtors to rely upon or in any way seek to assert as a defense to any obligation owed by the Debtors to the DIP Agents or any DIP Lender.

(b) The Prepetition Agents shall have the right to waive any of the terms, rights, and remedies provided or acknowledged in this Interim Order that are in favor of the Prepetition Lenders (the "Prepetition Lender Rights"), and shall have no obligation or duty to any other party with respect to the exercise or enforcement, or failure to exercise or enforce, any Prepetition Lender Right(s). Any waiver by the Prepetition Agents of any Prepetition Lender Rights shall not be nor shall it constitute a continuing waiver unless otherwise expressly provided therein. Any delay in or failure to exercise or enforce any Prepetition Lender Right shall neither constitute a waiver of such Prepetition Lender Right, subject the Prepetition Agents or any Prepetition Lender to any liability to any other party, nor cause or enable any party other than the Debtors to rely upon or in any way seek to assert as a defense to any obligation owed by the Debtors to the Prepetition Agents or any Prepetition Lender.

5.4 No Unauthorized Disposition of Collateral; Use of Cash Collateral. The Debtors shall not sell, transfer, lease, encumber, use, or otherwise dispose of any portion of the DIP Collateral (including inventory and Cash Collateral), other than pursuant to the terms of this Interim Order or as permitted by the DIP Loan Documents, and the Debtors are authorized to use Cash Collateral in a manner consistent with this Interim Order, the Approved Budget and the DIP Loan Documents (including the permitted variances and exclusions to the Approved Budget permitted thereunder). Notwithstanding the foregoing, no more than $50,000 of the proceeds of the DIP Facilities, DIP Collateral, or Cash Collateral may be used by any Committee in connection with the investigation of, but not litigation, or any objection or challenge to, the Prepetition Liens or Prepetition Obligations (the "Investigation Budget").

5.5 No Waiver. The failure of the DIP Lenders or the Prepetition Lenders, as applicable, to seek relief or otherwise exercise their rights and remedies under the DIP Loan Documents, the DIP Facilities, the Prepetition Documents, the Prepetition Facilities, or the Interim Order, as applicable, shall not constitute a waiver of any of the DIP Lenders' or Prepetition Lenders' rights hereunder, thereunder, or otherwise. Notwithstanding anything herein, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair the rights of the DIP Lenders or the Prepetition Lenders under the Bankruptcy Code or under non-bankruptcy law, including, without limitation, the rights of the DIP Lenders and the Prepetition Lenders to: (a) request conversion of the Cases to cases under chapter 7, dismissal of the Cases, or the appointment of a trustee in the Cases; (b) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a plan; or (c) exercise any of the rights, claims, or privileges (whether legal, equitable, or otherwise) of the DIP Lenders or the Prepetition Lenders.

5.6 Maintenance of Collateral. Unless the DIP Agents, acting at the direction of the applicable Required Lenders (as defined in the DIP Loan Documents), otherwise consent in writing, until (i) the payment in full or otherwise acceptable satisfaction of all DIP Obligations and (ii) the termination of the DIP Agents' and the DIP Lenders' obligations to extend credit under the DIP Facilities, the Debtors shall comply with the covenants contained in the DIP Loan Documents regarding the maintenance and insurance of the DIP Collateral. Upon entry of this Interim Order and to the fullest extent provided by applicable law, each of the DIP Agents (on behalf of the applicable DIP Lenders) shall be, and shall be deemed to be, without any further action or notice, named as additional insureds and loss payees on each insurance policy maintained by the Debtors that in any way relates to the DIP Collateral.

5.7 Reservation of Rights. The terms, conditions, and provisions of this Interim Order are in addition to and without prejudice to the rights of each DIP Secured Party and Prepetition Secured Party, subject to the DIP Intercreditor Agreement and the Prepetition Intercreditor Agreement, as applicable, to pursue any and all rights and remedies under the Bankruptcy Code, the DIP Loan Documents, the Prepetition Documents, or any other applicable agreement or law, including, without limitation, rights to seek adequate protection and/or additional or different adequate protection, to seek relief from the automatic stay, to seek an injunction, to oppose any request for use of cash collateral or granting of any interest in the DIP Collateral or the Prepetition Collateral, as applicable, or priority in favor of any other party, to object to any sale of assets, and to object to applications for allowance and/or payment of compensation of professionals or other parties seeking compensation or reimbursement from the Estates.

5.8 Binding Effect.

(a) All of the provisions of this Interim Order and the DIP Loan Documents, the DIP Obligations, all liens, and claims granted hereunder in favor of each of the DIP Secured Parties and the Prepetition Secured Parties, and any and all rights, remedies, privileges, immunities and benefits in favor of each DIP Agent, DIP Lender, and Prepetition Secured Party set forth herein, including, without limitation, the parties' acknowledgements, stipulations, and agreements in Section E of this Interim Order, subject to Section 4.1 hereof (without each of which the DIP Secured Parties would not have entered into or provided funds under the DIP Loan Documents and the Prepetition Secured Parties would not have consented to the priming of the Prepetition Liens as set forth herein and use of Cash Collateral provided for hereunder) provided or acknowledged in this Interim Order, and any actions taken pursuant thereto, shall be effective and enforceable *nunc pro tunc* to the Petition Date immediately upon entry of this Interim Order and not subject to any stay of execution or effectiveness (all of which are hereby waived), notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, and 9024, or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, shall continue in full force and effect, and shall survive entry of any other order or action, including, without limitation, any order which may be entered confirming any chapter 11 plan providing for the refinancing, repayment, or replacement of the DIP Obligations, converting one or more of the Cases to any other chapter under the Bankruptcy Code, dismissing one or more of the Cases, approving any sale of any or all of the DIP Collateral or the Prepetition Collateral, or vacating, terminating, reconsidering, revoking, or otherwise modifying this Interim Order or any provision hereof; *provided* that in the event a Final Order is entered, the terms and conditions of such Final Order shall control over this Interim Order; *provided further* that such Final Order must affirm

each of the provisions, protections, grants, statements, stipulations, and agreements in this Interim Order in order for such provisions, protections, grants, statements, stipulations, and agreements to remain in effect after entry of the Final Order.

(b) No order dismissing one or more of the Cases under section 1112 or otherwise may impair the DIP Superpriority Claim, the Superpriority Claim, and the DIP Secured Parties' and the Prepetition Secured Parties' respective liens on and security interests in the DIP Collateral and the Prepetition Collateral, respectively, and all other claims, liens, adequate protections, and other rights granted pursuant to the terms of this Interim Order, which shall continue in full force and effect notwithstanding such dismissal until the DIP Obligations and Prepetition Obligations are indefeasibly paid and satisfied in full. Notwithstanding any such dismissal, this Court shall retain jurisdiction for the purposes of enforcing all such claims, liens, protections, and rights referenced in this paragraph and otherwise in this Interim Order.

(c) Except as set forth in this Interim Order, in the event this Court modifies, reverses, vacates, or stays any of the provisions of this Interim Order or any of the DIP Loan Documents following a Final Hearing, such modifications, reversals, vacatur, or stays shall not affect the (i) validity, priority, or enforceability of any DIP Obligations incurred prior to the actual receipt of written notice by the DIP Agents or Prepetition Agents, as applicable, of the effective date of such modification, reversal, vacatur, or stay, (ii) validity, priority, or enforceability of the DIP Liens or the DIP Superpriority Claims, or (iii) rights or priorities of any DIP Agent or DIP Lender pursuant to this Interim Order with respect to the DIP Collateral or any portion of the DIP Obligations.

(d) This Interim Order shall be binding upon the Debtors, the Prepetition Obligors, all parties in interest in the Cases, and their respective successors and

assigns, including, without limitation, (i) any trustee or other fiduciary appointed in the Cases or any subsequently converted bankruptcy case(s) of any Debtor and (ii) any liquidator, receiver, administrator, or similar such person or entity appointed in any jurisdiction or under any applicable law. This Interim Order shall also inure to the benefit of the Debtors, DIP Agents, DIP Lenders, Prepetition Secured Parties, and each of their respective successors and assigns.

5.9 Discharge. The DIP Obligations and the obligations of the Debtors with respect to adequate protection hereunder, including granting the Prepetition Term Loan Adequate Protection Liens and the Prepetition Term Loan Adequate Protection Claims, shall not be discharged by the entry of an order confirming any plan of reorganization in any of these Cases, notwithstanding the provisions of section 1141(d) of the Bankruptcy Code, unless such obligations have been indefeasibly paid in full in cash, on or before the effective date of such confirmed plan of reorganization, or each of the DIP Secured Parties or the Prepetition Secured Parties, as applicable, has otherwise agreed in writing.

5.10 No Priming of Prepetition Obligations. Notwithstanding anything to the contrary herein, from and after the entry of this Interim Order, absent the express written consent of the Prepetition Lenders, no Debtor shall seek authorization from this Court to obtain or incur any Indebtedness or enter into an alternative financing facility other than the DIP Facilities (a "Competing DIP Facility") seeking to impose liens on any Prepetition Collateral ranking on a *pari passu* or priming basis with respect to the Prepetition Liens held by the Prepetition Lenders; *provided*, however, that nothing herein shall preclude the Debtors from seeking authorization to incur any Indebtedness or enter into any Competing DIP Facility that provides for the payment in full of the Prepetition Obligations.

5.11 Section 506(c) Waiver. No costs or expenses of administration which have been or may be incurred in these Cases at any time (including, without limitation, any costs and expenses incurred in connection with the preservation, protection, or enhancement of value by the DIP Agents or the DIP Lenders upon the DIP Collateral, or by the Prepetition Secured Parties upon the Prepetition Collateral, as applicable) shall be charged against any of the DIP Agents, DIP Lenders, or Prepetition Secured Parties, or any of the DIP Obligations or Prepetition Obligations or the DIP Collateral or the Prepetition Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise without the prior express written consent of the affected DIP Secured Parties and/or affected Prepetition Secured Parties, in their sole discretion, and no such consent shall be implied, directly or indirectly, from any other action, inaction, or acquiescence by any such agents or creditors (including, without limitation, consent to the Carve Out or the approval of any budget hereunder). Notwithstanding the foregoing, the waiver provided in this Section 5.11 as to the Prepetition Secured Parties, the Prepetition Obligations, and the Prepetition Collateral is subject to the entry of a Final Order providing such relief.

5.12 Section 552(b) Waiver. The Debtors have agreed as a condition to obtaining financing under the DIP Facilities and using Cash Collateral that, subject to entry of the Final Order, the Prepetition Secured Parties are and shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code and that the "equities of the case" exception under section 552(b) shall not apply to the DIP Agents, the DIP Lenders, the DIP Obligations, and, subject to entry of the Final Order, the Prepetition Secured Parties, or the Prepetition Obligations.

5.13 No Marshaling/Application of Proceeds.

(a) In no event shall the DIP Agents, the DIP Lenders, or, subject to

the entry of the Final Order, the Prepetition Secured Parties be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral or the Prepetition Collateral, as applicable, and all proceeds shall be received and applied in accordance with the DIP Loan Documents and the Prepetition Credit Agreements, as applicable.

(b) Notwithstanding anything to the contrary in this Interim Order, but subject in all respects to the priorities set forth on **Exhibit D** hereto and the DIP Intercreditor Agreement, the respective DIP Obligations shall be satisfied from the proceeds of DIP Collateral constituting property of those Debtors located in the United States before looking to the Canadian Collateral; *provided, however*, that the foregoing shall not apply to the Canadian DIP Sub-Facility or the Prepetition ABL Canadian Sub-Facility.

5.14 Relief Subject to a Final Order. For the avoidance of doubt, nothing in this Interim Order shall be deemed to grant or approve (a) a waiver of the Debtors' ability to surcharge against any Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code; (b) any right of the Debtors under the "equities of the case" exception in section 552(b) of the Bankruptcy Code with respect to any of the Prepetition Secured Parties; (c) except as provided in Section 5.13 hereof, the application of the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral or the Prepetition Collateral; or (d) a lien on or superpriority claim against the Avoidance Proceeds.

5.15 Payment of DIP Lender Fees and Expenses.

(a) The Debtors shall pay (i) the reasonable and documented fees and expenses reimbursable under the DIP Facilities, the DIP Credit Agreements, or the other DIP Loan Documents, as applicable, whether incurred before or after the Petition Date and (ii) all reasonable and documented out-of-pocket costs and expenses of the DIP Secured Parties

including, without limitation, reasonable and documented fees and disbursements of counsel in connection with the enforcement or preservation of any rights under the DIP Facilities, the DIP Credit Agreements, or the other DIP Loan Documents.

(b) Under no circumstances shall professionals for any of the DIP Secured Parties be required to comply with the U.S. Trustee fee guidelines or otherwise be required to file a fee or retention application with the Court. The Debtors shall promptly pay, and/or the DIP Agents are hereby authorized to make an advance under the DIP Loan Documents to timely pay, the submitted invoices for any of the DIP Secured Parties in accordance with the procedures set forth in Section 2.4(c).

5.16 Limits on Lender Liability.

(a) In determining to make any loan under the DIP Credit Agreements, authorizing the use of Cash Collateral or in exercising any rights or remedies as and when permitted pursuant to this Interim Order or the DIP Loan Documents, the DIP Agents, the DIP Lenders, and the Prepetition Secured Parties shall not be deemed to (i) be in control of the operations of the Debtors or to be acting as a "controlling person," "responsible person," or "owner or operator" with respect to the operation or management of the Debtors, so long as the such party's actions do not constitute, within the meaning of 42 U.S.C. § 9601(20)(F), actual participation in the management or operational affairs of a facility owned or operated by a Debtor, or otherwise cause liability to arise to the federal or state government or the status of responsible person or managing agent to exist under applicable law (as such terms, or any similar terms, are used in the Internal Revenue Code, WARN Act, the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq., as amended, or any similar federal or state statute) or (ii) owe any fiduciary duty to any of the

Debtors. Furthermore, nothing in this Interim Order shall in any way be construed or interpreted to impose or allow the imposition upon any of the DIP Secured Parties or the Prepetition Secured Parties of any liability for any claims arising from the prepetition or postpetition activities of any of the Debtors and their respective affiliates (as defined in section 101(2) of the Bankruptcy Code).

(b) Nothing in this Interim Order or the DIP Loan Documents shall permit the Debtors to violate 28 U.S.C. § 959(b).

(c) As to the United States, its agencies, departments, or agents, nothing in this Interim Order or the DIP Loan Documents shall discharge, release or otherwise preclude any valid right of setoff or recoupment that any such entity may have.

5.17 Release. Each of the Debtors, their Estates, the Borrowers, the Guarantors, and the Prepetition Obligors, on their own behalf and on behalf of each of their past, present and future predecessors, successors, heirs, subsidiaries, and assigns, hereby forever, unconditionally, permanently, and irrevocably release, discharge, and acquit each of the DIP Secured Parties, and each of their respective successors, assigns, affiliates, parents, subsidiaries, partners, controlling persons, representatives, agents, attorneys, advisors, financial advisors, consultants, professionals, officers, directors, members, managers, shareholders, and employees, past, present and future, and their respective heirs, predecessors, successors and assigns (collectively, the "Released Parties") of and from any and all claims, controversies, disputes, liabilities, obligations, demands, damages, expenses (including, without limitation, attorneys' fees), debts, liens, actions, and causes of action of any and every nature whatsoever, whether arising in law or otherwise, and whether known or unknown, matured or contingent, arising under, in connection with, or relating to the DIP Facilities or the DIP Loan Documents,

including, without limitation, (a) any so-called "lender liability" or equitable subordination claims or defenses, (b) any and all "claims" (as defined in the Bankruptcy Code) and causes of action arising under the Bankruptcy Code, and (c) any and all offsets, defenses, claims, counterclaims, set off rights, objections, challenges, causes of action, and/or choses in action of any kind or nature whatsoever, whether arising at law or in equity, including any recharacterization, recoupment, subordination, avoidance, or other claim or cause of action arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state, federal, or foreign law, including, without limitation, any right to assert any disgorgement or recovery, in each case, with respect to the extent, amount, validity, enforceability, priority, security, and perfection of any of the DIP Obligations, the DIP Loan Documents, or the DIP Liens, and further waive and release any defense, right of counterclaim, right of setoff, or deduction to the payment of the DIP Obligations that the Debtors now have or may claim to have against the Released Parties, arising under, in connection with, based upon, or released to any and all acts, omissions, conduct undertaken, or events occurring prior to entry of this Interim Order.

5.18 Survival. The provisions of this Interim Order, the validity, priority, and enforceability of the DIP Liens, the DIP Superpriority Claims, the Prepetition Term Loan Adequate Protection Liens, the Superpriority Claims, and any actions taken pursuant hereto shall survive, and shall not be modified, impaired or discharged by, entry of any order that may be entered (a) confirming any plan of reorganization in any of these Cases, (b) converting any or all of these Cases to a case under chapter 7 of the Bankruptcy Code, (c) dismissing any or all of these Cases, (d) terminating the joint administration of these Cases or any other act or omission, (e) approving the sale of any DIP Collateral pursuant to section 363(b) of the Bankruptcy Code

(except to the extent permitted by the DIP Loan Documents), or (f) pursuant to which the Court abstains from hearing any of these Cases. The terms and provisions of this Interim Order, including the claims, liens, security interests, and other protections (as applicable) granted to the DIP Agents, the DIP Lenders, and the Prepetition Secured Parties pursuant to this Interim Order, notwithstanding the entry of any such order, shall continue in any of these Cases, following dismissal of any of these Cases or any Successor Cases, and shall maintain their priority as provided by this Interim Order until (i) in respect of the DIP Facilities, all of the DIP Obligations, pursuant to the DIP Loan Documents and this Interim Order, have been indefeasibly paid in full in cash (such payment being without prejudice to any terms of provisions contained in the DIP Facilities which survive such discharge by their terms) and all commitments to extend credit under the DIP Facilities are terminated, and (ii) in respect of the Prepetition Obligations, all of the adequate protection obligations owed to the Prepetition Secured Parties provided for in this Interim Order and under the Prepetition Credit Agreements have been indefeasibly paid in full in cash.

5.19 Proofs of Claim. None of the Prepetition Secured Parties shall be required to file proofs of claim in any of these Cases or subsequent cases of any of the Debtors under any chapter of the Bankruptcy Code, and the Debtors' Stipulations in this Order shall be deemed to constitute a timely filed proof of claim against the applicable Debtor(s). Notwithstanding the foregoing, any Prepetition Agent (on behalf of itself and the Prepetition Lenders) is hereby authorized and entitled, in its discretion, but not required, to file (and amend and/or supplement, as applicable) a master proof of claim for any claims of any of the Prepetition Secured Parties arising from the Prepetition Credit Agreements or in respect of the Prepetition Obligations;

provided, however, that nothing in this Order shall waive the right of any Prepetition Lender to file its own proof of claim against any of the Debtors.

5.20 No Third Party Rights. Except as specifically provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holders, or any direct, indirect, or incidental beneficiary.

5.21 No Avoidance. No obligations incurred or payments or other transfers made by or on behalf of the Debtors on account of the DIP Facilities shall be avoidable or recoverable from the DIP Agents or the DIP Lenders under any section of the Bankruptcy Code, or any other federal, state, or other applicable law, provided that nothing within this paragraph is intended to limit or curtail the provisions of section 4.1 hereof, with respect to the Prepetition Obligations.

5.22 Reliance on Order. All postpetition advances under the DIP Loan Documents are made in reliance on this Interim Order.

5.23 Payments Free and Clear. Any and all payments or proceeds remitted to the DIP Agents on behalf of the applicable DIP Secured Parties or, subject to Section 4.1 hereof, the Prepetition Agents on behalf of the applicable Prepetition Secured Parties, pursuant to the provisions of this Interim Order, any subsequent order of this Court or the DIP Loan Documents, shall, subject to the terms of this Section 5.23, be irrevocable, received free and clear of any claims, charge, assessment, or other liability, including, without limitation, any such claim or charge arising out of or based on, directly or indirectly, section 506(c) of the Bankruptcy Code or section 552(b) of the Bankruptcy Code, whether asserted or assessed by, through or on behalf of the Debtors, and in the case of payments made or proceeds remitted after the delivery of a Trigger Notice, subject to the Carve Out in all respects.

5.24 Limited Effect. In the event of a conflict between the terms and provisions of any of the DIP Loan Documents (including the DIP Intercreditor Agreement) and this Interim Order, the terms and provisions of this Interim Order shall govern. With respect to the Revolver Facility, (a) the rights and obligations of the Revolver Secured Parties, on the one hand, and the Loan Parties (as defined in the Revolver DIP Agreement), on the other hand, under the Revolver Facility shall be governed solely and exclusively by the terms and conditions of this Interim Order and the Revolver DIP Documents and (b) for the avoidance of doubt, (i) the Restructuring Support Agreement shall not bind or commit any of the Revolver Secured Parties that do not execute such document in any way, and (ii) in the event of any conflict between the terms and conditions of this Interim Order and any Revolver DIP Document, on the one hand, and the terms and conditions of the Restructuring Support Agreement, on the other hand, with respect to the Revolver Facility, the terms and conditions of this Interim Order and the applicable Revolver DIP Documents shall govern.

5.25 Headings. Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Interim Order.

5.26 Bankruptcy Rules. The requirements of Bankruptcy Rules 4001, 6003, and 6004, in each case to the extent applicable, are satisfied by the contents of the Motion.

5.27 General Authorization. The Debtors, the DIP Secured Parties, and the Prepetition Secured Parties are authorized to take any and all actions necessary to effectuate the relief granted in this Interim Order.

5.28 Retention of Exclusive Jurisdiction. This Court shall retain exclusive jurisdiction and power with respect to all matters arising from or related to the implementation or

interpretation of this Interim Order, the DIP Credit Agreements, and the other DIP Loan Documents.

5.29 Final Hearing and Response Dates. The Final Hearing on the Motion pursuant to Bankruptcy Rule 4001(c)(2) will be held on August 27, 2019, at 10:00 a.m., prevailing Eastern Time. The Debtors shall promptly mail copies of this Interim Order to the Notice Parties, and to any other party that has filed a request for notices with this Court and to any Committee after same has been appointed, or the Committee's counsel if same shall have filed a request for notice. The Debtors may serve the Motion and the Interim Order without the exhibits attached thereto as such exhibits are voluminous and available, free of charge, at https://cases.primeclerk.com/jackcooper, and such notice is deemed good and sufficient and no further notice need be given. Any party in interest objecting to the relief sought at the Final Hearing shall serve and file written objections, which objections shall be served upon (a) proposed counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York New York 10019, Attn: Kelley A. Cornish, Brian S. Hermann, and John T. Weber and King & Spalding LLP, 1180 Peachtree St., NE, Atlanta, GA 30309, Attn: Sarah Borders; (b) counsel to the Prepetition ABL Agent and the Revolver Administrative Agent, Buchalter, P.C., 1000 Wilshire Boulevard, 15th Floor, Los Angeles, California 90017, Attn: Ariel Berrios and Julian Gurule; (c) counsel to the DIP Term Administrative Agent and DIP Term Lenders, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Marc Kieselstein and Alexandra Schwarzman, and 601 Lexington Avenue, New York, New York 10022, Attn: Jonathan S. Henes; (d) counsel to the Prepetition First Lien Secured Parties, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Attn: Adam C. Harris and Lucy F. Kweskin; (e) any Committee; and (f) the U.S.

Trustee, Attn: Tom Dworschak; and shall be filed with the Clerk of the United States Bankruptcy Court for the Northern District of Georgia, in each case, to allow actual receipt of the foregoing no later than 4:00 p.m. (prevailing Eastern Time), on August 20, 2019.

*** **END OF DOCUMENT** ***

Prepared and presented by:

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Proposed Counsel for the Debtors in Possession

EXHIBIT A

Revolver DIP Agreement

[Attached to the DIP Motion]

EXHIBIT B

DIP Term Loan Agreement

[Attached to the DIP Motion]

EXHIBIT C

Initial DIP Budget

Jack Cooper Investments, Inc.
13-Week Cash Flow Forecast

Forecast Week Number		1	2	3	4	5	6	7	8	9	10	11	12	13	
Week Beg (Mon)		8/5/2019	8/12/2019	8/19/2019	8/26/2019	9/2/2019	9/9/2019	9/16/2019	9/23/2019	9/30/2019	10/7/2019	10/14/2019	10/21/2019	10/28/2019	
Week End (Fri)	8/2/2019	8/9/2019	8/16/2019	8/23/2019	8/30/2019	9/6/2019	9/13/2019	9/20/2019	9/27/2019	10/4/2019	10/11/2019	10/18/2019	10/25/2019	11/1/2019	Total
Cash Flow ($ in 000's)															
JCT Receipts		$ 7,214	$ 7,057	$ 6,843	$ 8,311	$ 9,331	$ 9,321	$ 8,755	$ 8,099	$ 9,097	$ 9,170	$ 9,203	$ 9,191	$ 9,408	$ 111,000
JCT Operating Disbursements															
Payroll		(3,312)	(3,040)	(3,308)	(3,230)	(3,308)	(3,791)	(3,397)	(3,318)	(3,397)	(3,839)	(3,421)	(3,318)	(3,426)	(44,102)
Accounts Payable		(2,127)	(1,285)	(872)	(872)	(1,569)	(2,049)	(1,630)	(1,630)	(1,630)	(2,091)	(1,672)	(1,672)	(1,672)	(20,770)
Fuel		(766)	(895)	(895)	(960)	(960)	(905)	(905)	(878)	(878)	(947)	(947)	(981)	(981)	(11,899)
Pension		(12)	(238)	-	-	(12)	(41)	(197)	-	-	(17)	(233)	-	-	(750)
Health & Welfare		-	(214)	(2,222)	-	-	(52)	(2,675)	-	-	(52)	(3,324)	-	-	(8,540)
Workers Compensation Insurance		-	(23)	(150)	-	(1,494)	(35)	-	(200)	(1,494)	-	(24)	(350)	(30)	(3,801)
Corporate Insurance (Liability, Auto, D&O)		-	(8)	(53)	(63)	(926)	(60)	-	-	(990)	-	(8)	(53)	(340)	(2,501)
Non-Union Health Insurance		(2)	(15)	(737)	(2)	(2)	(15)	(737)	(2)	(52)	(15)	(2)	(737)	(2)	(2,316)
Property & Equipment Leases		-	(377)	-	(617)	(590)	(186)	(191)	(541)	(666)	-	(377)	(541)	(615)	(4,700)
Lodging		(119)	(119)	(119)	(152)	(152)	(152)	(152)	(155)	(155)	(155)	(155)	(166)	(166)	(1,917)
Taxes		(8)	(12)	(0)	(854)	-	(52)	-	(1)	(36)	-	(99)	(1)	(118)	(1,181)
Total Operating Disbursements		$ (6,345)	$ (6,225)	$ (8,356)	$ (6,750)	$ (9,012)	$ (7,339)	$ (9,883)	$ (6,724)	$ (9,298)	$ (7,117)	$ (10,262)	$ (7,817)	$ (7,349)	$ (102,476)
Net Operating Cash Flow from CT Services & NAT		$ 105	$ 105	$ 105	$ 105	$ 132	$ 132	$ 132	$ 132	$ 101	$ 93	$ 93	$ 93	$ 96	$ 1,424
Net Operating Cash Flow		$ 974	$ 937	$ (1,408)	$ 1,667	$ 450	$ 2,114	$ (995)	$ 1,506	$ (100)	$ 2,146	$ (965)	$ 1,467	$ 2,155	$ 9,948
Non-Operating Activities															
Capital Expenditures		(196)	(196)	(196)	(196)	(583)	(339)	(583)	(196)	(196)	(583)	(196)	(196)	(583)	(4,243)
Debt Principal Payments		-	-	-	-	(7)	-	-	-	(6)	-	-	-	(7)	(26)
Debt Interest Payments & Fees		(688)	-	-	(312)	(1,532)	-	-	-	(1,830)	-	-	-	(1,918)	(6,279)
Professional Fees		(1,115)	(2,060)	-	(1,100)	(150)	(480)	-	(900)	(210)	(3,055)	-	-	(350)	(9,420)
Other Non-Operating		(377)	-	-	-	-	-	-	-	-	(1,100)	-	-	(250)	(1,727)
Total Non-Operating Disbursements		$ (2,376)	$ (2,256)	$ (196)	$ (1,608)	$ (2,272)	$ (819)	$ (583)	$ (1,096)	$ (2,243)	$ (4,738)	$ (196)	$ (196)	$ (3,108)	$ (21,689)
Net Cash Flow After Non-Operating Activities		$ (1,402)	$ (1,319)	$ (1,604)	$ 59	$ (1,822)	$ 1,294	$ (1,579)	$ 410	$ (2,342)	$ (2,592)	$ (1,162)	$ 1,271	$ (953)	$ (11,741)
Revolver															
Beginning Revolver Balance		$ (49,852)	$ (43,984)	$ (41,842)	$ (43,493)	$ (42,415)	$ (42,298)	$ (40,629)	$ (42,293)	$ (41,964)	$ (42,366)	$ (44,750)	$ (46,052)	$ (44,992)	
Revolver Paydown / (Drawdown)		(1,132)	(858)	(1,651)	78	(1,883)	1,670	(1,664)	329	(2,402)	(2,384)	(1,302)	1,060	(923)	
DIP Draw		7,000	3,000	-	1,000	2,000	-	-	-	2,000	-	-	-	-	
Ending Revolver Balance	$ (49,852)	$ (43,984)	$ (41,842)	$ (43,493)	$ (42,415)	$ (42,298)	$ (40,629)	$ (42,293)	$ (41,964)	$ (42,366)	$ (44,750)	$ (46,052)	$ (44,992)	$ (45,915)	
Revolver Availability	$ 2,478	$ 8,347	$ 7,768	$ 6,117	$ 7,195	$ 7,312	$ 9,087	$ 7,422	$ 7,751	$ 7,350	$ 6,357	$ 5,055	$ 6,114	$ 5,192	
DIP Borrowings		(7,000)	(3,000)	-	(1,000)	(2,000)	-	-	-	(2,000)	-	-	-	-	
Cumulative DIP Draw		(7,000)	(10,000)	(10,000)	(11,000)	(13,000)	(13,000)	(13,000)	(13,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	
Total Cash	3,542	3,272	2,811	2,858	2,839	2,901	2,525	2,611	2,692	2,751	2,543	2,684	2,894	2,864	
Total Consolidated Company Liquidity	$ 6,021	$ 11,619	$ 10,580	$ 8,976	$ 10,034	$ 10,212	$ 11,612	$ 10,033	$ 10,443	$ 10,101	$ 8,900	$ 7,738	$ 9,009	$ 8,056	

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EXHIBIT D

Lien Priority

Order of Priority	Prepetition ABL Priority Collateral (whether in existence on the Petition Date or thereafter arising)	Prepetition Term Loan Priority Collateral (whether in existence on the Petition Date or thereafter arising)	Unencumbered Assets	Canadian Collateral
1st	Carve Out	Carve Out	Carve Out	Carve Out and CCAA Charges
2nd	Revolver Facility	Prepetition First Lien Term Loan Facility (and adequate protection with respect thereto)	Revolver Facility Adequate protection lien for Prepetition First Lien Secured Parties under Prepetition First Lien Term Loan Facility	Revolver Facility
3rd	Prepetition First Lien Term Loan Facility (and adequate protection with respect thereto)	DIP Term Loan Facility	DIP Term Loan Facility	DIP Term Loan Facility
4th	DIP Term Loan Facility	Prepetition 1.5 Lien Term Loan Facility (and adequate protection with respect thereto)	Adequate protection lien for Prepetition 1.5 Lien Secured Parties under Prepetition 1.5 Lien Term Loan Facility	
5th	Prepetition 1.5 Lien Term Loan Facility (and adequate protection with respect thereto)	Prepetition Second Lien Term Loan Facility (and adequate protection with respect thereto)	Adequate protection lien for Prepetition Second Lien Secured Parties under Prepetition Second Lien Term Loan Facility	
6th	Prepetition Second Lien Term Loan Facility (and adequate protection with respect thereto)	Revolver Facility		

SCHEDULE F - INSURANCE ORDER

IT IS ORDERED as set forth below:

Date: August 8, 2019

Paul W. Bonapfel

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

Insurance

Order x 3

ITCY COURT
GEORGIA
)N

In re:	)	Chapter 11
JACK CO(	)	Case No. 19-62393 (PWB)
	)	(Jointly Administrated)

INTERIM ; TO (I) CONTINUE INSURANCE COVERAGE ENTERED INTO PREPETITION AND SATISFY PREPETITION OBLIGATIONS RELATED THERETO, (II) RENEW, AMEND, SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES, (III) HONOR THE TERMS OF THE PREMIUM FINANCING AGREEMENTS AND PAY PREMIUMS THEREUNDER,

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Jack Cooper Ventures, Inc. (0805); Jack Cooper Diversified, LLC (9414); Jack Cooper Enterprises, Inc. (3001); Jack Cooper Holdings Corp. (2446); Jack Cooper Transport Company, Inc. (3030); Auto Handling Corporation (4011); CTEMS, LLC (7725); Jack Cooper Logistics, LLC (3433); Auto & Boat Relocation Services, LLC (9095); Axis Logistic Services, Inc. (2904); Jack Cooper CT Services, Inc. (3523); Jack Cooper Rail and Shuttle, Inc. (7801); Jack Cooper Investments, Inc. (6894); North American Auto Transportation Corp. (8293); Jack Cooper Transport Canada Inc. (8666); Jack Cooper Canada GP 1 Inc. (7030); Jack Cooper Canada GP 2 Inc. (2373); Jack Cooper Canada 1 Limited Partnership (3439); and Jack Cooper Canada 2 Limited Partnership (7839). The location of the Debtors' corporate headquarters and service address is: 630 Kennesaw Due West Road NW, Kennesaw, Georgia 30152.

(IV) ENTER INTO NEW PREMIUM FINANCING AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS AND (V) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order"), (a) authorizing the Debtors to: (i) continue insurance coverage entered into prepetition and satisfy prepetition obligations related thereto in the ordinary course of business, (ii) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business, (iii) honor the terms of the Premium Financing Agreements and pay premiums thereunder, and (iv) enter into new premium financing agreements in the ordinary course of business, and (b) granting related relief, all 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. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted

2 All capitalized terms used but otherwise not defined herein shall have the meaning set forth in the Motion.

herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.

2. The final hearing on the Motion shall be held on August 27, 2019, at 10:00 a.m., prevailing Eastern Time. Any objection to entry of the Final Order attached as **Exhibit B** to the Motion must be filed with the Court and served on the following parties: (i) Jack Cooper Ventures, Inc., 630 Kennesaw Due West Road, Kennesaw, Georgia 30152, Attn.: Theo Ciupitu and Taejin Kim; (ii) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn.: Kelley A. Cornish and Brian S. Hermann and King & Spalding LLP, 1180 Peachtree Street NE, Atlanta, Georgia 30309, Attn.: Sarah R. Borders, Leia Clement Shermohammed, and Britney Baker; (iii) the Office of the United States Trustee for the Northern District of Georgia; (iv) counsel to the Debtors' prepetition secured revolving lenders, Buchalter, P.C., 1000 Wilshire Blvd., 15th Floor, Los Angeles, California 90017, Attn.: Robert J. Davidson and Julian Gurule; (v) counsel to the Debtors' prepetition first lien term loan lenders, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Attn.: Adam Harris; (vi) counsel to the Debtors' prepetition junior lien term loan lenders, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn.: Marc Kieselstein and Alexandra Schwarzman; (vii) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases; and (viii) any party that has requested notice pursuant to Bankruptcy Rule 2002, in each case to allow actual receipt by no later than 4:00 p.m. (prevailing Eastern time) on August 20, 2019.

3. Subject to further Court order, the Debtors are authorized, but not directed, to continue the Insurance Policies identified on **Exhibit C** to the Motion in the ordinary course of business and to pay any prepetition or postpetition obligations related to the Insurance Policies, including Brokerage Fees, Insurance Deductibles and any other amounts related thereto.

4. The Debtors are authorized, but not directed, to renew, amend, supplement, extend, or purchase Insurance Policies to the extent that the Debtors determine that such action is in the best interest of their estates.

5. The Debtors are authorized to honor their obligations under the Premium Financing Agreements without interruption and in accordance with the same practices and procedures as were in effect prior to the commencement of the Debtors' chapter 11 cases to the extent that the Debtors determine such action is in the best interests of their estates.

6. The Debtors are authorized to enter into new premium financing agreements in the ordinary course of business to the extent the Debtors determine such action is in the best interest of the estate.

7. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored

as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Insurance Policies.

9. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing contained in the Motion or this Interim Order or any payment made pursuant to this Interim Order shall constitute, nor is it intended to constitute: (a) an admission as to the validity or priority of any claim or lien (or the priority thereof) against the Debtors, (b) a waiver of the Debtors' or any party in interest's rights to subsequently dispute and/or contest such claim or lien on any grounds, (c) a promise or requirement to pay any claim, (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion, (e) a request or authorization to assume or adopt any agreement, contract, or lease under section 365 of the Bankruptcy Code or (f) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or applicable law.

10. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

11. 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), the Bankruptcy Local Rules for the Northern District of Georgia and the Complex Case Procedures are satisfied by such notice.

12. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

13. Notwithstanding anything to the contrary in this Interim Order, any payment made (or to be made) and any authorization contained in this Interim Order shall be subject to the terms, conditions, limitations, and requirements of the *Interim Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, and 507 (I) Authorizing the Debtors to Obtain Senior and Junior Secured*

Priming Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Administrative Expense Claims and (B) Adequate Protection to Certain Prepetition Lenders; (III) Authorizing the Use of Cash Collateral; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief or any other order entered in these chapter 11 cases authorizing the use of cash collateral (collectively, and together with any approved budget (including any permitted variances) in connection therewith, the "DIP Order"), and to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken under this Interim Order, the terms of the DIP Order (together with any approved budget (including any permitted variances) in connection therewith) shall control.

14. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

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

END OF ORDER

Prepared and presented by:

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Proposed Counsel for the Debtors in Possession

SCHEDULE G – INTERIM EMPLOYEE WAGES ORDER

IT IS ORDERED as set forth below:

Date: August 8, 2019

Paul W. Bonapfel

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	Chapter 11
JACK COOPER VENTURES, INC., *et al.*,[1]	)	Case No. 19-62393 (PWB)
Debtors.	)	(Jointly Administered)

INTERIM ORDER AUTHORIZING THE DEBTORS TO (I) PAY CERTAIN PREPETITION WAGES, SALARIES, OTHER COMPENSATION, AND REIMBURSABLE EMPLOYEE EXPENSES, AND (II) CONTINUE EMPLOYEE BENEFITS

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Jack Cooper Ventures, Inc. (0805); Jack Cooper Diversified, LLC (9414); Jack Cooper Enterprises, Inc. (3001); Jack Cooper Holdings Corp. (2446); Jack Cooper Transport Company, Inc. (3030); Auto Handling Corporation (4011); CTEMS, LLC (7725); Jack Cooper Logistics, LLC (3433); Auto & Boat Relocation Services, LLC (9095); Axis Logistic Services, Inc. (2904); Jack Cooper CT Services, Inc. (3523); Jack Cooper Rail and Shuttle, Inc. (7801); Jack Cooper Investments, Inc. (6894); North American Auto Transportation Corp. (8293); Jack Cooper Transport Canada Inc. (8666); Jack Cooper Canada GP 1 Inc. (7030); Jack Cooper Canada GP 2 Inc. (2373); Jack Cooper Canada 1 Limited Partnership (3439); and Jack Cooper Canada 2 Limited Partnership (7839). The location of the Debtors' corporate headquarters and service address is: 630 Kennesaw Due West Road NW, Kennesaw, Georgia 30152.

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Interim Order"), (a) authorizing, but not directing, the Debtors to (i) pay prepetition wages, salaries, other compensation, and reimbursable employee expenses, (ii) continue the employee benefits programs in the ordinary course, and (iii) set a final hearing related thereto; and (b) granting related relief, all as more fully set forth in the Motion; and upon the *Declaration of Greg May, Chief Financial Officer of Jack Cooper Ventures, Inc., et al., in Support of First Day Motions*; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.

[2] Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the motion.

2. The final hearing on the Motion shall be held on August 27, 2019, at 10:00 a.m., prevailing Eastern Time. Any objection to entry of the Final Order attached as **Exhibit B** to the Motion must be filed with the Court and served on the following parties: (i) Jack Cooper Ventures, Inc., 630 Kennesaw Due West Road, Kennesaw, Georgia 30152, Attn.: Theo Ciupitu and Taejin Kim; (ii) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn.: Kelley A. Cornish and Brian S. Hermann and King & Spalding LLP, 1180 Peachtree Street NE, Atlanta, Georgia 30309, Attn.: Sarah R. Borders, Leia Clement Shermohammed, and Britney Baker; (iii) the Office of the United States Trustee for the Northern District of Georgia; (iv) counsel to the Debtors' prepetition secured revolving lenders, Buchalter, P.C., 1000 Wilshire Blvd., 15th Floor, Los Angeles, California 90017, Attn.: Robert J. Davidson and Julian Gurule; (v) counsel to the Debtors' prepetition first lien term loan lenders, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Attn.: Adam Harris; (vi) counsel to the Debtors' prepetition junior lien term loan lenders, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn.: Marc Kieselstein and Alexandra Schwarzman; (vii) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases; and (viii) any party that has requested notice pursuant to Bankruptcy Rule 2002, in each case to allow actual receipt by no later than 4:00 p.m. (prevailing Eastern time) on August 20, 2019.

3. The Debtors are authorized, but not directed, to continue and/or modify the Employee Compensation and Benefits programs in the ordinary course of business, in accordance with the Debtors' prepetition policies and practices, and, in the Debtors' discretion, to pay prepetition claims and honor prepetition obligations related thereto, *provided* that nothing in this Interim Order shall be deemed to authorize the payment of any amounts that are subject to

section 503(c) of the Bankruptcy Code.

4. In accordance with section 362(d) of the Bankruptcy Code, (a) employees are authorized to proceed with their workers' compensation claims in the appropriate judicial or administrative forum and the Debtors are authorized to pay all prepetition amounts relating thereto in the ordinary course of business and (b) the notice requirements under Bankruptcy Rule 4001(d) with respect to clause (a) are waived.

5. The Debtors are authorized to pay all post-petition costs and expenses incidental to payment of the Employee Compensation and Benefits described in the Motion, including all administrative and processing costs and payments to third parties in the ordinary course of business.

6. The banks and financial institutions on which checks were drawn or electronic payment requests were made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

7. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or the Interim Order or any payment made pursuant to the Interim Order shall constitute, nor is it intended to constitute, (a) an admission as to the validity or priority of any claim or lien against the Debtors, (b) a waiver of the Debtors' or any party in interest's rights to subsequently dispute and/or contest such claim or lien, (c) the assumption or adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code, or (d) a grant of third-party beneficiary status or bestowal of any additional rights on any third party.

8. Nothing in the Motion or this Interim Order shall impair the ability of the Debtors or any party in interest to contest the validity or amount of any payment made pursuant to this Interim Order.

9. The Debtors are authorized to issue post-petition checks, or to affect post-petition fund transfer requests, in replacement of any checks or fund transfers requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Employee Compensation and Benefits.

10. The Debtors are authorized, but not directed, to pay and honor obligations related to the Corporate Credit Cards.

11. Nothing contained in the Motion or this Interim Order is intended or should be construed to create an administrative priority claim on account of any Employee or as an authorization to pay any employee retention program or incentive bonus with respect to any Employee.

12. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

13. 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), the Bankruptcy Local Rules for the Northern District of Georgia and the Complex Case Procedures are satisfied by such notice.

14. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

15. Notwithstanding anything to the contrary in this Interim Order, any payment made (or to be made) and any authorization contained in this Interim Order shall be subject to the terms, conditions, limitations, and requirements of the *Interim Order Pursuant to 11 U.S.C.*

§§ 105, 361, 362, 363, 364, 503, and 507 (I) Authorizing the Debtors to Obtain Senior and Junior Secured Priming Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Adminstrative Expense Claims and (B) Adequate Protection to Certain Prepetition Lenders; (III) Authorizing the Use of Cash Collateral; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief, or any other order entered in these chapter 11 cases authorizing the use of cash collateral (collectively, and together with any approved budget (including any permitted variances) in connection therewith, the "DIP Order"), and to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken under this Interim Order, the terms of the DIP Order (together with any approved budget (including any permitted variances) in connection therewith) shall control.

16. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

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

END OF ORDER

Prepared and presented by:

/s/ Sarah R. Borders
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Proposed Counsel for the Debtors in Possession

SCHEDULE H – SURETY BOND ORDER

IT IS ORDERED as set forth below:

Date: August 8, 2019

Paul W. Bonapfel

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	Chapter 11
JACK COOPER VENTURES, INC., *et al.*,[1]	)	Case No. 19-62393 (PWB)
Debtors.	)	(Jointly Administered)

INTERIM ORDER AUTHORIZING (I) THE DEBTORS TO CONTINUE AND RENEW SURETY BOND PROGRAM AND (II) GRANTING RELATED RELIEF

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Jack Cooper Ventures, Inc. (0805); Jack Cooper Diversified, LLC (9414); Jack Cooper Enterprises, Inc. (3001); Jack Cooper Holdings Corp. (2446); Jack Cooper Transport Company, Inc. (3030); Auto Handling Corporation (4011); CTEMS, LLC (7725); Jack Cooper Logistics, LLC (3433); Auto & Boat Relocation Services, LLC (9095); Axis Logistic Services, Inc. (2904); Jack Cooper CT Services, Inc. (3523); Jack Cooper Rail and Shuttle, Inc. (7801); Jack Cooper Investments, Inc. (6894); North American Auto Transportation Corp. (8293); Jack Cooper Transport Canada Inc. (8666); Jack Cooper Canada GP 1 Inc. (7030); Jack Cooper Canada GP 2 Inc. (2373); Jack Cooper Canada 1 Limited Partnership (3439); and Jack Cooper Canada 2 Limited Partnership (7839). The location of the Debtors' corporate headquarters and service address is: 630 Kennesaw Due West Road NW, Kennesaw, Georgia 30152.

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order") authorizing (a) the Debtors to maintain, continue and renew, in their sole discretion, their Surety Bond Program on an uninterrupted basis and in accordance with the same practices and procedures, including, but not limited to, the maintenance of collateral, as were in effect before the Petition Date and (b) granting related relief all 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. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein

2 All capitalized terms used but otherwise not defined herein shall have the meaning set forth in the Motion.

2. The final hearing on the Motion shall be held on August 27, 2019, at 10:00 a.m., prevailing Eastern Time. Any objection to entry of the Final Order attached as **Exhibit B** to the Motion must be filed with the Court and served on the following parties: (i) Jack Cooper Ventures, Inc., 630 Kennesaw Due West Road, Kennesaw, Georgia 30152, Attn.: Theo Ciupitu and Taejin Kim; (ii) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn.: Kelley A. Cornish and Brian S. Hermann and King & Spalding LLP, 1180 Peachtree Street NE, Atlanta, Georgia 30309, Attn.: Sarah R. Borders, Leia Clement Shermohammed, and Britney Baker; (iii) the Office of the United States Trustee for the Northern District of Georgia; (iv) counsel to the Debtors' prepetition secured revolving lenders, Buchalter, P.C., 1000 Wilshire Blvd., 15th Floor, Los Angeles, California 90017, Attn.: Robert J. Davidson and Julian Gurule; (v) counsel to the Debtors' prepetition first lien term loan lenders, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Attn.: Adam Harris; (vi) counsel to the Debtors' prepetition junior lien term loan lenders, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn.: Marc Kieselstein and Alexandra Schwarzman; (vii) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases; and (viii) any party that has requested notice pursuant to Bankruptcy Rule 2002, in each case to allow actual receipt by no later than 4:00 p.m. (prevailing Eastern time) on August 20, 2019.

3. The Debtors are, in their sole discretion, authorized and empowered to maintain their Surety Bond Program on an uninterrupted basis, and in accordance with the same practices and procedures, including, but not limited to, the maintenance of collateral, as were in effect prior to the Petition Date.

4. The Debtors are authorized to honor the Indemnity Agreements to the extent that the Debtors determinte such action is in the best interest of their estates.

5. The Debtors are authorized to pay all amounts arising under the Surety Bond Program, due and payable after the Petition Date to the extent that the Debtors determinte such action is in the best interest of their estates.

6. The Debtors are authorized to renew existing Surety Bonds, increase or decrease the size of any such Surety Bonds and obtain new Surety Bonds in the ordinary course of business in accordance with the same practices and procedures as were in effect prior to the Petition Date, and execute any other agreements in connection with the Surety Bond Program and all related instruments, documents and papers, and to take all actions reasonably appropriate with respect thereto, in each case, in accordance with the applicable documents governing the Surety Bond Program.

7. The Debtors are authorized to post new or additional collateral in favor of the existing or any new Issuers to secure any surety bonds in the Surety Bond Program, including in connection with either the maintenance or renewal of any existing surety bonds or the entry into new surety bonds.

8. The failure to specifically describe or include any particular feature of the Surety Bond Program in this Interim Order shall not diminish or impair the effectiveness of such feature, it being the intent of this Court that the Surety Bond Program be approved in its entirety.

9. Nothing in this Interim Order or the Motion shall be construed as prejudicing the rights of the Debtors to dispute or contest the amount of or basis for any claims against the Debtors in connection with or relating to the Surety Bond Program and nothing in this Interim Order renders

any claim by any third party based on a prepetition actual, potential or asserted liability of the Debtors, which claim may or does result in a loss to a surety under the Surety Bond Program, into a postpetition claim or expense of administration.

10. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

11. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or the Interim Order or any payment made pursuant to the Interim Order shall constitute, nor is it intended to constitute, (a) an admission as to the validity or priority of any claim or lien against the Debtors, (b) a waiver of the Debtors' or any party in interest's rights to subsequently dispute and/or contest such claim or lien, (c) the assumption or adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code, or (d) a grant of third-party beneficiary status or bestowal of any additional rights on any third party.

12. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

13. 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), the Bankruptcy Local Rules for the Northern District of Georgia and the Complex Case Procedures are satisfied by such notice.

14. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

15. Notwithstanding anything to the contrary in this Interim Order, any payment made (or to be made) and any authorization contained in this Interim Order shall be subject to the terms, conditions, limitations, and requirements of the *Interim Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, and 507 (I) Authorizing the Debtors to Obtain Senior and Junior Secured Priming Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Administrative Expense Claims and (B) Adequate Protection to Certain Prepetition Lenders; (III) Authorizing the Use of Cash Collateral; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief* or any other order entered in these chapter 11 cases authorizing the use of cash collateral (collectively, and together with any approved budget (including any permitted variances) in connection therewith, the "DIP Order"), and to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken under this Interim Order, the terms of the DIP Order (together with any approved budget (including any permitted variances) in connection therewith) shall control.

16. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

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

END OF ORDER

Prepared and presented by:

/s/ Sarah R. Borders
Sarah R. Borders
Georgia Bar No. 610649
Leia Clement Shermohammed
Georgia Bar No. 972711
Britney Baker
Georgia Bar No. 625752
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-and-

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Brian S. Hermann (*pro hac vice* pending)
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Proposed Counsel for the Debtors in Possession

SCHEDULE I – TAXES AND FEES ORDER

IT IS ORDERED as set forth below:

Date: August 8, 2019

Paul W. Bonapfel

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	Chapter 11
JACK COOPER VENTURES, INC., *et al.*,[1]	)	Case No. 19-62393 (PWB)
Debtors.	)	(Jointly Administered)

INTERIM ORDER AUTHORIZING
THE PAYMENT OF CERTAIN PREPETITION TAXES AND FEES

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Jack Cooper Ventures, Inc. (0805); Jack Cooper Diversified, LLC (9414); Jack Cooper Enterprises, Inc. (3001); Jack Cooper Holdings Corp. (2446); Jack Cooper Transport Company, Inc. (3030); Auto Handling Corporation (4011); CTEMS, LLC (7725); Jack Cooper Logistics, LLC (3433); Auto & Boat Relocation Services, LLC (9095); Axis Logistic Services, Inc. (2904); Jack Cooper CT Services, Inc. (3523); Jack Cooper Rail and Shuttle, Inc. (7801); Jack Cooper Investments, Inc. (6894); North American Auto Transportation Corp. (8293); Jack Cooper Transport Canada Inc. (8666); Jack Cooper Canada GP 1 Inc. (7030); Jack Cooper Canada GP 2 Inc. (2373); Jack Cooper Canada 1 Limited Partnership (3439); and Jack Cooper Canada 2 Limited Partnership (7839). The location of the Debtors' corporate headquarters and service address is: 630 Kennesaw Due West Road NW, Kennesaw, Georgia 30152.

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Interim Order"), (a) authorizing the Debtors to remit and pay Taxes and Fees accrued prior to the Petition Date and that will become due and payable during the pendency of these chapter 11 cases, including those obligations subsequently determined upon audit or otherwise to be owed for periods prior to the Petition Date, (b) setting a final hearing related thereto, and (c) granting related relief; all 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. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at the hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

---

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

1. The Motion is granted on an interim basis as set forth herein.

2. The final hearing on the Motion shall be held on August 27, 2019, at 10:00 a.m., prevailing Eastern Time. Any objection to entry of the Final Order attached as **Exhibit B** to the Motion must be filed with the Court and served on the following parties: (i) Jack Cooper Ventures, Inc., 630 Kennesaw Due West Road, Kennesaw, Georgia 30152, Attn.: Theo Ciupitu and Taejin Kim; (ii) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn.: Kelley A. Cornish and Brian S. Hermann and King & Spalding LLP, 1180 Peachtree Street NE, Atlanta, Georgia 30309, Attn.: Sarah R. Borders, Leia Clement Shermohammed, and Britney Baker; (iii) the Office of the United States Trustee for the Northern District of Georgia; (iv) counsel to the Debtors' prepetition secured revolving lenders, Buchalter, P.C., 1000 Wilshire Blvd., 15th Floor, Los Angeles, California 90017, Attn.: Robert J. Davidson and Julian Gurule; (v) counsel to the Debtors' prepetition first lien term loan lenders, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Attn.: Adam Harris; (vi) counsel to the Debtors' prepetition junior lien term loan lenders, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn.: Marc Kieselstein and Alexandra Schwarzman; (vii) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases; and (viii) any party that has requested notice pursuant to Bankruptcy Rule 2002, in each case to allow actual receipt by no later than 4:00 p.m. (prevailing Eastern time) on August 20, 2019.

3. Subject to further Court order, the Debtors are authorized, but not directed, to pay or remit the Taxes and Fees described in the Motion that accrued prior to the Petition Date and that will become due and payable during the pendency of these chapter 11 cases at such time when the

Taxes and Fees are payable on an interim basis pending entry of a Final Order granting the relief requested in the Motion.

4. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment. and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

5. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Interim Order shall create any rights in favor of, or enhance the status of any claim held by, any of the Authorities.

6. The Debtors are authorized to issue postpetition checks, or to affect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Taxes and Fees.

7. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing contained in the Motion or this Interim Order or any payment made pursuant to this Interim Order shall constitute, nor is it intended to constitute: (a) an admission as to the validity or priority of any claim or lien (or the priority thereof) against the Debtors, (b) a waiver of the Debtors' or any party in interest's rights to subsequently dispute and/or contest such claim or lien on any grounds, (c) a promise or requirement to pay any claim, (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the

Motion, (e) a request or authorization to assume or adopt any agreement, contract, or lease under section 365 of the Bankruptcy Code or (f) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or applicable law.

8. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

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), the Bankruptcy Local Rules for the Northern District of Georgia and the Complex Case Procedures are satisfied by such notice.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

11. Notwithstanding anything to the contrary in this Interim Order, any payment made (or to be made) and any authorization contained in this Interim Order shall be subject to the terms, conditions, limitations, and requirements of the *Interim Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, and 507 (I) Authorizing the Debtors to Obtain Senior and Junior Secured Priming Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Administrative Expense Claims and (B) Adequate Protection to Certain Prepetition Lenders; (III) Authorizing the Use of Cash Collateral; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief* or any other order entered in these chapter 11 cases authorizing the use of cash collateral (collectively, and together with any approved budget (including any permitted variances) in connection therewith, the "DIP Order"), and to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken under this Interim Order, the terms of the DIP Order (together with any approved budget (including any permitted variances) in connection therewith) shall control.

12. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

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

END OF ORDER

Prepared and presented by:

/s/ Sarah R. Borders
Sarah R. Borders
Georgia Bar No. 610649
Leia Clement Shermohammed
Georgia Bar No. 972711
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-and-

Kelley A. Cornish (*pro hac vice* pending)
New York Bar No. 1930767
Brian S. Hermann (*pro hac vice* pending)
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Email: bhermann@paulweiss.com

Proposed Counsel for the Debtors in Possession

SCHEDULE J – CUSTOMER PROGRAMS ORDER

IT IS ORDERED as set forth below:

Date: August 8, 2019

Paul W. Bonapfel

Paul W. Bonapfel
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	Chapter 11
JACK COOPER VENTURES, INC., *et al.*,[1]	)	Case No. 19-62393 (PWB)
Debtors.	)	(Jointly Administered)

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE CUSTOMER PROGRAMS AND HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO, AND (II) GRANTING RELATED RELIEF

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Jack Cooper Ventures, Inc. (0805); Jack Cooper Diversified, LLC (9414); Jack Cooper Enterprises, Inc. (3001); Jack Cooper Holdings Corp. (2446); Jack Cooper Transport Company, Inc. (3030); Auto Handling Corporation (4011); CTEMS, LLC (7725); Jack Cooper Logistics, LLC (3433); Auto & Boat Relocation Services, LLC (9095); Axis Logistic Services, Inc. (2904); Jack Cooper CT Services, Inc. (3523); Jack Cooper Rail and Shuttle, Inc. (7801); Jack Cooper Investments, Inc. (6894); North American Auto Transportation Corp. (8293); Jack Cooper Transport Canada Inc. (8666); Jack Cooper Canada GP 1 Inc. (7030); Jack Cooper Canada GP 2 Inc. (2373); Jack Cooper Canada 1 Limited Partnership (3439); and Jack Cooper Canada 2 Limited Partnership (7839). The location of the Debtors' corporate headquarters and service address is: 630 Kennesaw Due West Road NW, Kennesaw, Georgia 30152.

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Interim Order"), (a) authorizing the Debtors, in their sole discretion, to honor or pay all prepetition Customer Obligations and to continue the Customer Programs in the ordinary course of business, and (b) granting related relief, all 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. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at the hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.

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

2. The final hearing on the Motion shall be held on August 27, 2019, at 10:00 a.m., prevailing Eastern Time. Any objection to entry of the Final Order attached as **Exhibit B** to the Motion must be filed with the Court and served on the following parties: (i) Jack Cooper Ventures, Inc., 630 Kennesaw Due West Road, Kennesaw, Georgia 30152, Attn.: Theo Ciupitu and Taejin Kim; (ii) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn.: Kelley A. Cornish and Brian S. Hermann and King & Spalding LLP, 1180 Peachtree Street NE, Atlanta, Georgia 30309, Attn.: Sarah R. Borders, Leia Clement Shermohammed, and Britney Baker; (iii) the Office of the United States Trustee for the Northern District of Georgia; (iv) counsel to the Debtors' prepetition secured revolving lenders, Buchalter, P.C., 1000 Wilshire Blvd., 15th Floor, Los Angeles, California 90017, Attn.: Robert J. Davidson and Julian Gurule; (v) counsel to the Debtors' prepetition first lien term loan lenders, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Attn.: Adam Harris; (vi) counsel to the Debtors' prepetition junior lien term loan lenders, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn.: Marc Kieselstein and Alexandra Schwarzman; (vii) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases; and (viii) any party that has requested notice pursuant to Bankruptcy Rule 2002, in each case to allow actual receipt by no later than 4:00 p.m. (prevailing Eastern time) on August 20, 2019.

3. The Debtors are authorized, but not directed, to honor and pay the Customer Obligations described in the Motion that are outstanding as of the Petition Date, accrued prior to the Petition Date or that will become due and payable during the pendency of these chapter 11

cases at such time when the Customer Obligations are payable on an interim basis pending entry of a Final Order granting the relief requested in the Motion.

4. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

5. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Interim Order shall create any rights in favor of, or enhance the status of any claim held by, any of the Debtors' customers.

6. The Debtors are authorized to issue postpetition checks, or to affect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Customer Obligations.

7. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or the Interim Order or any payment made pursuant to the Interim Order shall constitute, nor is it intended to constitute, (a) an admission as to the validity or priority of any claim or lien against the Debtors, (b) a waiver of the Debtors' or any party in interest's rights to subsequently dispute and/or contest such claim or lien, (c) the assumption or adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code, or (d) a grant of third-party beneficiary status or bestowal of any additional rights on any third party.

8. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

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), the Bankruptcy Local Rules for the Northern District of Georgia and the Complex Case Procedures are satisfied by such notice.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

11. Notwithstanding anything to the contrary in this Interim Order, any payment made (or to be made) and any authorization contained in this Interim Order shall be subject to the terms, conditions, limitations, and requirements of the *Interim Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, and 507 (I) Authorizing the Debtors to Obtain Senior and Junior Secured Priming Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Administrative Expense Claims and (B) Adequate Protection to Certain Prepetition Lenders; (III) Authorizing the Use of Cash Collateral; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief* or any other order entered in these chapter 11 cases authorizing the use of cash collateral (collectively, and together with any approved budget (including any permitted variances) in connection therewith, the "DIP Order"), and to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken under this Interim Order, the terms of the DIP Order (together with any approved budget (including any permitted variances) in connection therewith) shall control.

12. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

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

END OF ORDER

Prepared and presented by:

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Proposed Counsel for the Debtors in Possession

SCHEDULE K – JIN GUIDELINES

GUIDELINES FOR COMMUNICATION AND COOPERATION BETWEEN COURTS IN CROSS-BORDER INSOLVENCY MATTERS

INTRODUCTION

A. The overarching objective of these Guidelines is to improve in the interests of all stakeholders the efficiency and effectiveness of cross-border proceedings relating to insolvency or adjustment of debt opened in more than one jurisdiction ("Parallel Proceedings") by enhancing coordination and cooperation amongst courts under whose supervision such proceedings are being conducted. These Guidelines represent best practice for dealing with Parallel Proceedings.

B. In all Parallel Proceedings, these Guidelines should be considered at the earliest practicable opportunity.

C. In particular, these Guidelines aim to promote:

(i) the efficient and timely coordination and administration of Parallel Proceedings;

(ii) the administration of Parallel Proceedings with a view to ensuring relevant stakeholders' interests are respected;

(iii) the identification, preservation, and maximisation of the value of the debtor's assets, including the debtor's business;

(iv) the management of the debtor's estate in ways that are proportionate to the amount of money involved, the nature of the case, the complexity of the issues, the number of creditors, and the number of jurisdictions involved in Parallel Proceedings;

(v) the sharing of information in order to reduce costs; and

(vi) the avoidance or minimisation of litigation, costs, and inconvenience to the parties[1] in Parallel Proceedings.

D. These Guidelines should be implemented in each jurisdiction in such manner as the jurisdiction deems fit.[2]

E. These Guidelines are not intended to be exhaustive and in each case consideration ought to be given to the special requirements in that case.

F. Courts should consider in all cases involving Parallel Proceedings whether and how to implement these Guidelines. Courts should encourage and where necessary direct, if they have the power to do so, the parties to make the necessary applications to the court to facilitate such implementation by a protocol or order derived from these Guidelines, and encourage them to act so as to promote the objectives and aims of these Guidelines wherever possible.

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[1] The term "parties" when used in these Guidelines shall be interpreted broadly.

[2] Possible modalities for the implementation of these Guidelines include practice directions and commercial guides.

ADOPTION & INTERPRETATION

Guideline 1: In furtherance of paragraph F above, the courts should encourage administrators in Parallel Proceedings to cooperate in all aspects of the case, including the necessity of notifying the courts at the earliest practicable opportunity of issues present and potential that may (a) affect those proceedings; and (b) benefit from communication and coordination between the courts. For the purpose of these Guidelines, "administrator" includes a liquidator, trustee, judicial manager, administrator in administration proceedings, debtor-in-possession in a reorganisation or scheme of arrangement, or any fiduciary of the estate or person appointed by the court.

Guideline 2: Where a court intends to apply these Guidelines (whether in whole or in part and with or without modification) in particular Parallel Proceedings, it will need to do so by a protocol or an order,[3] following an application by the parties or pursuant to a direction of the court if the court has the power to do so.

Guideline 3: Such protocol or order should promote the efficient and timely administration of Parallel Proceedings. It should address the coordination of requests for court approvals of related decisions and actions when required and communication with creditors and other parties. To the extent possible, it should also provide for timesaving procedures to avoid unnecessary and costly court hearings and other proceedings.

Guideline 4: These Guidelines when implemented are not intended to:

(i) interfere with or derogate from the jurisdiction or the exercise of jurisdiction by a court in any proceedings including its authority or supervision over an administrator in those proceedings;

(ii) interfere with or derogate from the rules or ethical principles by which an administrator is bound according to any applicable law and professional rules;

(iii) prevent a court from refusing to take an action that would be manifestly contrary to the public policy of the jurisdiction; or

(iv) confer or change jurisdiction, alter substantive rights, interfere with any function or duty arising out of any applicable law, or encroach upon any applicable law.

Guideline 5: For the avoidance of doubt, a protocol or order under these Guidelines is procedural in nature. It should not constitute a limitation on or waiver by the court of any powers, responsibilities, or authority or a substantive determination of any matter in controversy before the court or before the other court or a waiver by any of the parties of any of their substantive rights and claims.

Guideline 6: In the interpretation of these Guidelines or any protocol or order under these Guidelines, due regard shall be given to their international origin and to the need to promote good faith and uniformity in their application.

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[3] In the normal case, the parties will agree on a protocol derived from these Guidelines and obtain the approval of each court in which the protocol is to apply.

COMMUNICATION BETWEEN COURTS

Guideline 7: A court may receive communications from a foreign court and may respond directly to them. Such communications may occur for the purpose of the orderly making of submissions and rendering of decisions by the courts, and to coordinate and resolve any procedural, administrative or preliminary matters relating to any joint hearing where Annex A is applicable. Such communications may take place through the following methods or such other method as may be agreed by the two courts in a specific case:

(i) Sending or transmitting copies of formal orders, judgments, opinions, reasons for decision, endorsements, transcripts of proceedings or other documents directly to the other court and providing advance notice to counsel for affected parties in such manner as the court considers appropriate.

(ii) Directing counsel or other appropriate person to transmit or deliver copies of documents, pleadings, affidavits, briefs or other documents that are filed or to be filed with the court to the other court in such fashion as may be appropriate and providing advance notice to counsel for affected parties in such manner as the court considers appropriate.

(iii) Participating in two-way communications with the other court, by telephone or video conference call or other electronic means, in which case Guideline 8 should be considered.

Guideline 8: In the event of communications between courts, other than on administrative matters, unless otherwise directed by any court involved in the communications whether on an *ex parte* basis or otherwise, or permitted by a protocol, the following shall apply:

(i) In the normal case, parties may be present.

(ii) If the parties are entitled to be present, advance notice of the communications shall be given to all parties in accordance with the rules of procedure applicable in each of the courts to be involved in the communications.

(iii) The communications between the courts shall be recorded and may be transcribed. A written transcript may be prepared from a recording of the communications that, with the approval of each court involved in the communications, may be treated as the official transcript of the communications.

(iv) Copies of any recording of the communications, of any transcript of the communications prepared pursuant to any direction of any court involved in the communications, and of any official transcript prepared from a recording may be filed as part of the record in the proceedings and made available to the parties and subject to such directions as to confidentiality as any court may consider appropriate.

(v) The time and place for communications between the courts shall be as directed by the courts. Personnel other than judges in each court may communicate with each other to establish appropriate arrangements for the communications without the presence of the parties.

Guideline 9: A court may direct that notice of its proceedings be given to parties in proceedings in another jurisdiction. All notices, applications, motions, and other materials served for purposes of the proceedings before the court may be ordered to be provided to such other parties by making such materials available electronically in a publicly accessible system or by facsimile transmission, certified or registered mail or delivery by courier, or in such other manner as may be directed by the court in accordance with the procedures applicable in the court.

APPEARANCE IN COURT

Guideline 10: A court may authorise a party, or an appropriate person, to appear before and be heard by a foreign court, subject to approval of the foreign court to such appearance.

Guideline 11: If permitted by its law and otherwise appropriate, a court may authorise a party to a foreign proceeding, or an appropriate person, to appear and be heard by it without thereby becoming subject to its jurisdiction.

CONSEQUENTIAL PROVISIONS

Guideline 12: A court shall, except on proper objection on valid grounds and then only to the extent of such objection, recognise and accept as authentic the provisions of statutes, statutory or administrative regulations, and rules of court of general application applicable to the proceedings in other jurisdictions without further proof. For the avoidance of doubt, such recognition and acceptance does not constitute recognition or acceptance of their legal effect or implications.

Guideline 13: A court shall, except upon proper objection on valid grounds and then only to the extent of such objection, accept that orders made in the proceedings in other jurisdictions were duly and properly made or entered on their respective dates and accept that such orders require no further proof for purposes of the proceedings before it, subject to its law and all such proper reservations as in the opinion of the court are appropriate regarding proceedings by way of appeal or review that are actually pending in respect of any such orders. Notice of any amendments, modifications, extensions, or appellate decisions with respect to such orders shall be made to the other court(s) involved in Parallel Proceedings, as soon as it is practicable to do so.

Guideline 14: A protocol, order or directions made by a court under these Guidelines is subject to such amendments, modifications, and extensions as may be considered appropriate by the court, and to reflect the changes and developments from time to time in any Parallel Proceedings. Notice of such amendments, modifications, or extensions shall be made to the other court(s) involved in Parallel Proceedings, as soon as it is practicable to do so.

ANNEX A (JOINT HEARINGS)

Annex A to these Guidelines relates to guidelines on the conduct of joint hearings. Annex A shall be applicable to, and shall form a part of these Guidelines, with respect to courts that may signify their assent to Annex A from time to time. Parties are encouraged to address the matters set out in Annex A in a protocol or order.

ANNEX A: JOINT HEARINGS

A court may conduct a joint hearing with another court. In connection with any such joint hearing, the following shall apply, or where relevant, be considered for inclusion in a protocol or order:

(i) The implementation of this Annex shall not divest nor diminish any court's respective independent jurisdiction over the subject matter of proceedings. By implementing this Annex, neither a court nor any party shall be deemed to have approved or engaged in any infringement on the sovereignty of the other jurisdiction.

(ii) Each court shall have sole and exclusive jurisdiction and power over the conduct of its own proceedings and the hearing and determination of matters arising in its proceedings.

(iii) Each court should be able simultaneously to hear the proceedings in the other court. Consideration should be given as to how to provide the best audio-visual access possible.

(iv) Consideration should be given to coordination of the process and format for submissions and evidence filed or to be filed in each court.

(v) A court may make an order permitting foreign counsel or any party in another jurisdiction to appear and be heard by it. If such an order is made, consideration needs to be given as to whether foreign counsel or any party would be submitting to the jurisdiction of the relevant court and/or its professional regulations.

(vi) A court should be entitled to communicate with the other court in advance of a joint hearing, with or without counsel being present, to establish the procedures for the orderly making of submissions and rendering of decisions by the courts, and to coordinate and resolve any procedural, administrative or preliminary matters relating to the joint hearing.

(vii) A court, subsequent to the joint hearing, should be entitled to communicate with the other court, with or without counsel present, for the purpose of determining outstanding issues. Consideration should be given as to whether the issues include procedural and/or substantive matters. Consideration should also be given as to whether some or all of such communications should be recorded and preserved.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED Court File No: CV-19-625200-00CL

AND IN THE MATTER OF AND IN THE MATTER OF JACK COOPER VENTURES, INC., JACK COOPER DIVERSIFIED, LLC, JACK COOPER ENTERPRISES, INC., JACK COOPER HOLDINGS CORP., JACK COOPER TRANSPORT COMPANY, INC., AUTO HANDLING CORPORATION, CTEMS, LLC, JACK COOPER LOGISTICS, LLC, AUTO & BOAT RELOCATION SERVICES, LLC, AXIS LOGISTIC SERVICES, INC., JACK COOPER CT SERVICES, INC., JACK COOPER RAIL AND SHUTTLE, INC., JACK COOPER INVESTMENTS, INC., NORTH AMERICAN AUTO TRANSPORTATION CORP., JACK COOPER TRANSPORT CANADA, INC., JACK COOPER CANADA GP 1 INC., JACK COOPER CANADA GP 2 INC., JACK COOPER CANADA 1 LIMITED PARTNERSHIP, AND JACK COOPER CANADA 2 LIMITED PARTNERSHIP

APPLICATION OF JACK COOPER VENTURES, INC., UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)

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Court File No. CV-20-00636511-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	TUESDAY, THE 21ST
	)	
JUSTICE HAINEY	)	DAY OF APRIL, 2020

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PIER 1 IMPORTS, INC., PIER 1 ASSETS, INC., PIER 1 LICENSING, INC., PIER 1 HOLDINGS, INC., PIER 1 SERVICES COMPANY, PIER 1 IMPORTS (U.S.), INC., PIR TRADING, INC. AND PIER 1 VALUE SERVICES, LLC

APPLICATION OF PIER 1 IMPORTS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

RECOGNITION ORDER
(Recognition of Corrected Lease Rejection Order, Second Day Orders and Liquidity Preservation Order, and Reduction of Directors' Charge)

THIS MOTION, made by Pier 1 Imports, Inc. ("**Pier 1**") in its capacity as the foreign representative (the "**Foreign Representative**") of Pier 1, Pier 1 Assets, Inc., Pier 1 Licensing, Inc., Pier 1 Holdings, Inc., Pier 1 Services Company, Pier 1 Imports (U.S.), Inc., PIR Trading, Inc. and Pier 1 Value Services, LLC (collectively, the "**Chapter 11 Debtors**" and each a "**Chapter 11 Debtor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, among other things, recognizing certain orders granted by the United States Bankruptcy Court for the Eastern District of Virginia (Richmond Division) (the "**U.S. Bankruptcy Court**") in the cases commenced by the Chapter 11 Debtors pursuant to Chapter 11 of the United States Bankruptcy Code (the "**Chapter 11 Cases**"), was read this day.

ON READING the Notice of Motion, the affidavit of Robert Riesbeck sworn April 15, 2020, the affidavit of Graeme Rotrand affirmed April 16, 2020 (the "**Rotrand Affidavit**"), and

the Third Report of the Information Officer dated April 19, 2020, and on being advised that the Service List was served with the Foreign Representative's Motion Record as appears from the Affidavit of Service of Waleed Malik affirmed April 17, 2020.

AND ON BEING ADVISED that the Foreign Representative informed the Service List that it was requesting that this motion be heard in writing, and on being further advised that no party on the Service List has advised the Foreign Representative that it objects to this motion being heard in writing or the relief sought by the Foreign Representative:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined have the meaning given to them in the Amended and Restated Supplemental Order (Foreign Main Proceeding) made in the within proceedings dated February 18, 2020 (the "**Amended and Restated Supplemental Order**").

MOTION TO BE HEARD IN WRITING

3. **THIS COURT ORDERS** that this motion shall be heard in writing without any requirement for a live attendance.

RECOGNITION OF FOREIGN ORDERS

4. **THIS COURT ORDERS** that the following orders (the "**Foreign Orders**") of the U.S. Bankruptcy Court made in the Chapter 11 Cases are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

   (a) *Amended Order Authorizing (I) Rejection of Certain Unexpired Leases and (II) Abandonment of any Personal Property, Each Effective as of the Rejection Date and (III) Granting Related Relief* (the "**Corrected Lease Rejection Order**"); and

(b) *Final Order (I) Authorizing the Debtors to (A) Continue to Operate their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Perform Intercompany Transactions, and (II) Granting Related Relief* (the "**Final Cash Management Order**");

(c) *Final Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief* (the "**Final Wages Order**");

(d) *Final Order (I) Authorizing the Debtors to (A) Maintain, Renew, or Supplement Their Insurance Policies and Honor all Obligations in Respect Thereof, and (B) Maintain, Renew, or Supplement Their Surety Bond Program, and (II) Granting Related Relief* (the "**Final Insurance Order**");

(e) *Final Order (I) Authorizing Payment of Prepetition Claims of (A) Lien Claimants and (B) 503(B)(9) Claimants, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief* (the "**Final Lienholders Order**");

(f) *Final Order (I) Approving Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Services, (III) Approving Debtors' Proposed Procedures for Resolving Additional Assurance Requests, and (IV) Granting Related Relief* (the "**Final Utilities Order**");

(g) *Final Order (I) Authorizing the Debtors to Maintain and Administer Their Existing Customer Programs and Honor Certain Prepetition Obligations Related Thereto and (II) Granting Related Relief* (the "**Final Customer Programs Order**");

(h) *Final Order (I) Authorizing the Payment of Certain Prepetition and Postpetition Taxes and Fees and (II) Granting Related Relief* (the "**Final Taxes Order**");

(i) *Final Order (A) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock, and (B) Granting Related Relief* (the "**Final NOL Order**");

(j) *Final Order (I) Authorizing the Debtors to Assume the Consulting Agreement, (II) Authorizing and Approving the Conduct of Store Closing Sales, with Such Sales to be Free and Clear of all Liens, Claims, and Encumbrances, (III) Authorizing Customary Bonuses to Employees of Closing Stores, and (IV) Granting Related Relief* (the "**Final Store Closing Sale Order**");

(k) *Final Order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Grating Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection to the Prepetition Secured Parties, (V) Modifying the Automatic Stay, and (VI) Granting Related Relief* (the "**Final DIP Order**");

(l) *Order Authorizing the Debtors to Retain and Compensate Professionals Utilized in the Ordinary Course of Business* (the "**OCP Order**");

(m) *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief* (the "**Interim Compensation Order**");

(n) *Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment Under Section 503(b)(9), (II) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form and Manner for Filing Proofs of Claim, Including Section 503(b)(9) Requests, (IV) Approving Notice of Bar Dates, and (V) Granting Related Relief* (the "**Bar Date Order**");

(o) *Order (I) Approving Procedures for Filing Omnibus Objections to Claims, (II) Approving the Form and Manner of the Notice of Omnibus Objections, and (III) Granting Related Relief* (the "**Omnibus Objection Procedures Order**");

(p) *Order (I) Authorizing and Approving Procedures to Reject or Assume Executory*

Contracts and Unexpired Leases and (II) Granting Related Relief (the "**Assumption/Rejection Procedures Orders**"); and

(q) *Order (I) Approving Relief Related to the Interim Budget, (II) Temporarily Adjourning Certain Motions and Applications for Payments, and (III) Granting Related Relief* (the "**Liquidity Preservation Order**")

copies of which are attached as Exhibits "A" to "P" and "S" to the Rotrand Affidavit, respectively;

provided, however, that (i) in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property in Canada; and (ii) the Corrected Lease Rejection Order shall be hereby deemed to be substituted for and replace the Lease Rejection Order appended as Schedule "M" to the Amended and Restated Supplemental Order.

AMENDMENT TO AMENDED AND RESTATED SUPPLEMENTAL ORDER

5. **THIS COURT ORDERS** that paragraph 23 of the Amended and Restated Supplemental Order is hereby amended as follows:

> 23. **THIS COURT ORDERS** that the DIP ABL Agent, for and on behalf of itself and the DIP Secured Parties (each as defined in the Interim DIP Order), shall be entitled to the benefit of and is hereby granted a charge (the "**DIP ABL Charge**") on the Property in Canada, which DIP ABL Charge shall be consistent with the liens and charges created by or set forth in the Interim DIP Order **and the Final DIP Order (as defined in the Affidavit of Graeme Rotrand affirmed April 15, 2020 in these proceedings)**, provided that with respect to the Property in Canada, the DIP ABL Charge shall have and be subject to the priorities set forth in paragraphs 24 and 26 hereof, and further provided that the DIP ABL Charge shall not be enforced except with leave of this Court on notice to the Information Officer and those parties on the service list established for these proceedings.

REDUCTION OF DIRECTORS' CHARGE

6. **THIS COURT ORDERS** that the amount of the Directors' Charge granted in paragraph 21 of the Amended and Restated Supplemental Order shall be reduced:

(a) to CDN $787,000 as of the date of this Order; and

(b) to an amount to be determined by the Chapter 11 Debtors, in consultation with the Information Officer, upon the service by the Information Officer of a certificate substantially in the form attached as Schedule "A" hereto (the "**Information Officer's Certificate**") on the Service List.

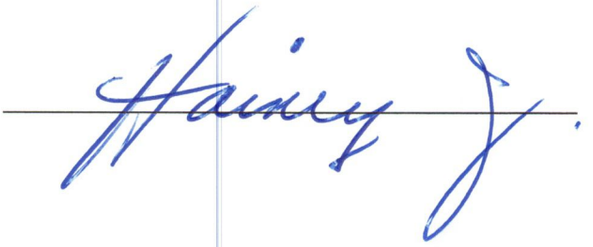
7. **THIS COURT ORDERS** that the Information Officer shall (a) incur no liability in connection with the reductions of the Directors' Charge set forth herein and in the Information Officer's Certificate; and (b) file a copy of the Information Officer's Certificate with the Court as soon as practicable following service thereof on the Service List.

GENERAL

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective counsel and agents in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.



SCHEDULE A – Form of Information Officer's Certificate

Court File No. CV-20-00636511-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PIER 1 IMPORTS, INC., PIER 1 ASSETS, INC., PIER 1 LICENSING, INC., PIER 1 HOLDINGS, INC., PIER 1 SERVICES COMPANY, PIER 1 IMPORTS (U.S.), INC., PIR TRADING, INC. AND PIER 1 VALUE SERVICES, LLC

APPLICATION OF PIER 1 IMPORTS, INC. UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985 c. C-36, AS AMENDED

APPLICANT

INFORMATION OFFICER'S CERTIFICATE

RECITALS

A. Pursuant to the Amended and Restated Supplemental Order (Foreign Main Proceeding) of the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated February 18, 2020, Alvarez & Marsal Canada Inc. was appointed as the Information Officer in these proceedings (the "**Information Officer**").

B. Pursuant to an Order of the Court dated April ●, 2020 (the "**Order**") the Court ordered that (a) the Directors' Charge granted paragraph 21 of the Amended and Restated Supplemental Order would be reduced to an amount to be determined by the Chapter 11 Debtors in

consultation with the Information Officer; (b) the Information Officer shall serve on the Service List a certificate (the "**Information Officer's Certificate**") setting out the revised amount of the Directors' Charge; and (c) the amount of the Directors' Charge will be reduced upon delivery of the Information Officer's Certificate to the Service List.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Order.

THE INFORMATION OFFICER CERTIFIES that:

1. The Information Officer has received written confirmation from the Chapter 11 Debtors (or their counsel) that the Chapter 11 Debtors, in consultation with the Information Officer, have determined that the amount of the Directors' Charge shall be reduced to CDN$●.

2. This Certificate was served by the Information Officer on the Service List at _____ [TIME] on _____ [DATE] in accordance with the Order.

ALVAREZ & MARSAL CANADA INC., in its capacity as Information Officer of the Chapter 11 Debtors, and not in its personal capacity

Per: _____

Name:

Title:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED Court File No: CV-20-00636511-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PIER 1 IMPORTS, INC., PIER 1 ASSETS, INC., PIER 1 LICENSING, INC., PIER 1 HOLDINGS, INC., PIER 1 SERVICES COMPANY, PIER 1 IMPORTS (U.S.), INC., PIR TRADING, INC. AND PIER 1 VALUE SERVICES, LLC

APPLICATION OF PIER 1 IMPORTS, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

Ontario
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

RECOGNITION ORDER
(Recognition of Corrected Lease Rejection Order, Second Day Orders and Liquidity Preservation Order, and Reduction of Directors' Charge)

OSLER, HOSKIN & HARCOURT, LLP
P.O. Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8

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mcalvaruso@osler.com
Fax: 416.862.6666

Lawyers for the Applicant

FORM 49
[RULE 13.19]

CLERK'S STAMP

CLERK OF THE COURT
FILED
AUG 12 2020
JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER	2001-08972
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c C-36, as amended

APPLICATION OF BJ SERVICES HOLDINGS CANADA, ULC

DOCUMENT **AFFIDAVIT VOLUME 2 of 2**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500 Bankers Hall East
855-2nd Street SW
Calgary, Alberta T2P 4K7

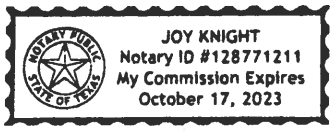
Attention: Kelsey Meyer / Keely Cameron
Telephone No.: 403-298-3323 / 403-298-3324
Fax No.: 403-265-7219
Client File No.: 78081-9

AFFIDAVIT #3 OF WARREN ZEMLAK

Sworn on August 12, 2020

EXHIBIT 14

THIS IS **EXHIBIT "14"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administrated)
	)	(Emergency Hearing Requested)

DEBTORS' EMERGENCY MOTION FOR ENTRY OF AN ORDER (I) ESTABLISHING BIDDING PROCEDURES FOR THE SALE OF THE CEMENTING BUSINESS, (II) SCHEDULING BID DEADLINES AND AN AUCTION, (III) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, (IV) APPROVING CONTRACT ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (V) GRANTING RELATED RELIEF

EMERGENCY RELIEF HAS BEEN REQUESTED. A HEARING WILL BE CONDUCTED ON THIS MATTER ON JULY 21, 2020, AT 4:00 PM (CENTRAL TIME) IN COURTROOM 404, 4TH FLOOR, 515 RUSK STREET, HOUSTON, TEXAS 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 21, 2020.

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 ISGUR'S CONFERENCE ROOM NUMBER IS 954554.

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 APPLICATION.

ONCE CONNECTED TO WWW.JOIN.ME, A PARTICIPANT MUST SELECT "JOIN A MEETING". THE CODE FOR JOINING THIS HEARING BEFORE JUDGE ISGUR IS "JUDGEISGUR". THE NEXT SCREEN WILL HAVE A PLACE FOR THE PARTICIPANT'S NAME IN THE LOWER LEFT CORNER. PLEASE COMPLETE THE NAME AND CLICK "NOTIFY".

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

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 AND SCHEDULES;

4) SELECTING "VIEW HOME PAGE" FOR JUDGE ISGUR;

5) UNDER "ELECTRONIC APPEARANCE" SELECT "CLICK HERE TO SUBMIT ELECTRONIC APPEARANCE;"

6) SELECT BJ SERVICES, LLC, ET AL. FROM THE LIST OF ELECTRONIC APPEARANCE LINKS; AND

7) AFTER SELECTING BJ SERVICES, LLC, 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")[2] respectfully state as follows in support of this motion (this "Motion"):[3]

Introduction

1. By this Motion, the Debtors seek to establish procedures to facilitate a value-maximizing sale of their cementing services business (the "Cementing Business"). As described more fully in the First Day Declaration filed contemporaneously herewith, the Debtors seek to effectuate an orderly wind down by liquidating their assets in a strategic manner. This orderly wind down contemplates, in part, the sale of the Cementing Business as a going-concern.

2. The Cementing Business consists of cementing, pumping, and mixing services and includes certain cementing assets, such as coiled tubing units and cementing pumps. The primary objective of the Cementing Business is to provide zonal isolation in an oil or gas well. Cementing

[2] A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this Motion and the Debtors' chapter 11 cases, are set forth in the *Declaration of Warren Zemlak, Chief Executive Officer of BJ Services, LLC, in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), filed contemporaneously herewith and incorporated herein by reference.

[3] Capitalized terms used but not yet defined herein have the meanings ascribed to such terms later in this Motion or in the First Day Declaration, as applicable.

is the process of mixing a slurry consisting of cement and water and pumping it down through a steel casing to critical points which create a bond between the rock and the casing string used to allow flow from the reservoir to the surface. The principal function of this cementing process is to control fluid movement between reservoirs and/or aquifers and to bond and support the casing deep in the earth against various layers of rock formations. In 2019, cementing services accounted for approximately 20 percent of the Debtors' revenues.

3. The Debtors believe the value of their Cementing Business as a going-concern is far greater than the value of its parts. The Debtors have already received an indication of interest for its Cementing Business as a going-concern, which exceeds the Debtors' estimate of its liquidation value. Such a sale is estimated to save approximately 300 jobs. The Debtors are working with their stakeholders to continue operating the Cementing Business until it is sold.

4. To maximize the proceeds from the sale of the Cementing Business, the Debtors engaged Simmons Energy, a division of Piper Sandler & Co. ("Simmons"), a leading investment banking firm with extensive experience in the energy industry, to assist with the marketing and sale of the Cementing Business. Simmons has been marketing the Cementing Business for approximately one month and, as of the Petition Date, has contacted at least 14 potential buyers and/or investors regarding the sale of the Cementing Business. Eight of those parties have executed non-disclosure agreements, and one additional party is negotiating a non-disclosure agreement. One party has submitted an indication of interest, and Simmons has been notified by a second party that it intends to submit an indication of interest imminently. Simmons has also facilitated management presentations with two bidders.

5. To ensure the Debtors run an orderly and value-maximizing sale process, the Debtors file this Motion seeking approval of Bidding Procedures pursuant to which they intend to market and auction the Cementing Business, and consummate a going-concern transaction. The

proposed Bidding Procedures, including the related timeline and Auction, will allow the Debtors to maximize value for their stakeholders by capitalizing on the value of the Cementing Business as expeditiously as possible. Moreover, based on the nature of the assets being sold and general communications between potential bidders, the Debtors believe the marketing process will result in a competitive, value-maximizing Auction that will inure to the benefit of all stakeholders and maximize the value of the Debtors' estates.

6. Accordingly, the Debtors submit the Bidding Procedures and the related relief requested in this Motion are in the best interests of the Debtors' estates and their stakeholders, and respectfully request that the Court grant this Motion.

Relief Requested

7. The Debtors seek entry of an order substantially in the form attached hereto (the "Bidding Procedures Order"): (a) authorizing and approving the bidding procedures attached as Exhibit A to the Bidding Procedures Order (the "Bidding Procedures") for the sale of the Cementing Business (the "Transaction" or "Sale"); (b) establishing the dates and deadlines listed on the table below for the sale process; (c) approving the form and manner of notice of the Auction, if any; (d) approving procedures for the assumption and assignment of certain executory contracts (the "Contracts") and unexpired leases and the resolution of the related cure amounts related thereto (the "Assumption and Assignment Procedures"); and (e) granting related relief.

Date	Event
Deadline to Receive Stalking Horse Bids	August 5, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Stalking Horse Bidder (if any)	August 12, 2020, at 4:00 p.m. (prevailing Central Time)
Bid Deadline	August 26, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Qualified Bidders	Within three business days after the Bid Deadline
Auction (if applicable)	No later than September 2, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Sale Hearing	No later than September 8, 2020

Jurisdiction and Venue

8. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court.

9. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

10. The bases for the relief requested herein are sections 105(a), 363, and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), Bankruptcy

Rules 2002 and 6004, and rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Bankruptcy Local Rules").

Background

11. BJ Services, LLC and its Debtor affiliates are leading providers of pressure pumping and oilfield services for the petroleum industry. Headquartered in Tomball, Texas, the Debtors operate through two segments, hydraulic fracturing, and cementing. The Debtors primarily serve customers in upstream North American oil and natural gas shale basins in the completion of new wells and in remedial work on existing wells.

12. On July 20, 2020 (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

The Sale Process and Bidding Procedures Order

I. The Sale Timeline.

13. The Debtors believe continuing and promptly concluding the marketing process for the Cementing Business will maximize the value of these assets. Moreover, it is critical for the Debtors to execute the Transaction expeditiously to reduce the costs associated with maintaining

and operating the Cementing Business and the expenses associated with a lengthy chapter 11 process.

14. Accordingly, the Debtors propose the following timeline for the Sale:

Date	**Event**
Deadline to Receive Stalking Horse Bids	August 5, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Stalking Horse Bidder (if any)	August 12, 2020, at 4:00 p.m. (prevailing Central Time)
Bid Deadline	August 26, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Qualified Bidders	Within three business days after the Bid Deadline
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Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Sale Hearing	No later than September 8, 2020

15. Given the marketing process is already in motion, the Debtors believe this timeline provides the Debtors with an opportunity to conduct a fulsome marketing process for the Cementing Business and solicit the best available bids in advance of the Bid Deadline while limiting the time spent in chapter 11. Accordingly, the Debtors believe the Bidding Procedures are in the best interests of the Debtors' estates and provide interested parties with sufficient opportunity to participate

II. The Bidding Procedures.

16. To optimally and expeditiously solicit, receive, and evaluate bids in a fair and accessible manner, the Debtors have developed and proposed the Bidding Procedures, attached the as Exhibit A to the Order, to govern the Auction process. The Debtors designed the Bidding

Procedures to encourage all parties to put their best bids forward and to maximize the value of the Debtors' remaining assets. The Bidding Procedures establish, among other things:[4]

(a) **Participation Requirements**.

(i) To receive due diligence information, including full access to the Debtors' electronic data room and to additional non-public information regarding the Debtors, a party interested in consummating the Transaction (each, a "Potential Bidder") must deliver to Simmons, the following documents (the "Preliminary Bid Documents"):

1. an executed Confidentiality Agreement on terms reasonably acceptable to the Debtors, to the extent not already executed; and

2. proof or other documentation acceptable to the Debtors, after consultation with the Consultation Parties, of the Potential Bidder's financial capacity (i) to close a proposed Transaction, which may include financial statements of, or verified financial commitments obtained by, the Potential Bidder (or, if the Potential Bidder is an entity formed for the purpose of consummating the Transaction, the party that will bear liability for a breach), the adequacy of which will be assessed by the Debtors (with the assistance of their advisors), and (ii) to provide adequate assurance of future performance under any executory contracts and unexpired leases to be assumed by the Debtors and assigned to such Potential Bidder, pursuant to section 365 of the Bankruptcy Code, in connection with the Transaction.

(ii) Except as otherwise determined in the Debtors' business judgment, only those Potential Bidders that have submitted acceptable Preliminary Bid Documents (each, an "Acceptable Bidder") may submit bids. Promptly after a Potential Bidder delivers Preliminary Bid Documents, the Debtors will determine and notify the Potential Bidder whether such Potential Bidder has submitted acceptable Preliminary Bid Documents so that the Potential Bidder may proceed to conduct due diligence and ultimately submit a Bid to be the Stalking Horse Bidder and participate in the Auction, as

[4] This summary is qualified in its entirety by the Bidding Procedures attached to the Order as Exhibit A. All capitalized terms used in this summary but not defined herein have the meanings ascribed to such terms in the Bidding Procedures. To the extent there are any conflicts between this summary and the Bidding Procedures, the terms of the Bidding Procedures shall govern.

applicable, and will provide copies of any such notices to the Notice Parties.

(iii) Beginning on or as soon as is reasonably practicable after the Debtors determine that a Potential Bidder is an Acceptable Bidder, the Debtors will provide such Acceptable Bidder with access to an electronic data room and reasonable due diligence information, as requested by such Acceptable Bidder, as soon as reasonably practicable after such request, and the Debtors shall post substantially all written due diligence provided to any Acceptable Bidder to the Debtors' electronic data room.

(iv) The Debtors and their advisors will coordinate all reasonable requests from Acceptable Bidders for additional information and due diligence access; *provided* that the Debtors may decline to provide such information to Acceptable Bidders who, at such time and in the Debtors' business judgment, after consultation with the Consultation Parties, have not established, or who have raised doubt, that such Acceptable Bidder intends in good faith to, or has the capacity to, consummate the Transaction.

(v) Each Acceptable Bidder shall comply with all reasonable requests for additional information and due diligence access by the Debtors, the official committee of unsecured creditors (the "Committee"), if any, or their respective advisors regarding such Acceptable Bidder and its contemplated Transaction.

(b) **Stalking Horse Bidding Process.**

(i) Under the Stalking Horse Bidding Process, Acceptable Bidders will prepare and submit definitive documentation, and the Debtors and certain selected Acceptable Bidders will continue to negotiate the terms of such definitive documentation. At the conclusion of this process, the Debtors may, in an exercise of their business judgment, select the Acceptable Bidder with the highest or otherwise best Bid to serve as the stalking horse bidder (the "Stalking Horse Bidder") in connection with the Auction.

(ii) **Stalking Horse Bid Deadline**.

1. Acceptable Bidders that wish to be selected as the Stalking Horse Bidder must meet the Bid Requirements and submit a substantially final version of the Form APA (collectively, the "Stalking Horse Bid Documentation") to Simmons so that it is **actually received** no later than **4:00 p.m. (prevailing Central Time) on August 5, 2020** (the "Stalking Horse Bid Deadline"). The Debtors may engage in further negotiation with each of the Acceptable

Bidders regarding the Bid Documentation following the Stalking Horse Bid Deadline. The Bid Documentation should be submitted both as an executed PDF and in Word version, along with a marked version of all Bid Documentation against the form provided by the Debtors.

2. As soon as reasonably practicable after the Stalking Horse Bid Deadline, the Debtors will evaluate the Stalking Horse Bid Documentation submitted by each Acceptable Bidder and may engage in additional negotiations to finalize such Stalking Horse Bid Documentation with one or more Acceptable Bidders in their sole discretion. The Debtors attach considerable importance to the terms and conditions set forth in the draft Transaction Documents and the nature and extent of any revisions thereto will be an important consideration in the evaluation of Bids.

(iii) **Selection of Stalking Horse Bidder and Bid Protections**. Upon entry of the Bidding Procedures Order, the Debtors shall be authorized, but not obligated, in an exercise of their business judgment, after consultation with the Consultation Parties, to (a) select no more than one Acceptable Bidder to act as the Stalking Horse Bidder in connection with the Auction and (b) in connection with the Stalking Horse Agreement with the Stalking Horse Bidder (i) provide a breakup fee (the "Breakup Fee"), (ii) agree to reimburse reasonable and documented out-of-pocket fees and expenses (the "Expense Reimbursement"), and/or (iii) agree to pay a "work fee" or other similar cash fee (the "Work Fee," and together with the Breakup Fee and the Expense Reimbursement, the "Bid Protections"); *provided* that the aggregate amount of Bid Protections that may be paid to the Stalking Horse Bidder on account of foregoing subclauses (i)–(iii) shall not exceed three percent of the proposed Purchase Price.[5]

(iv) **Stalking Horse Notice**. If the Debtors execute a stalking horse purchase agreement with the Stalking Horse Bidder (the "Stalking Horse Agreement"), the Debtors will file a notice with the Court announcing such Stalking Horse Bidder (the "Stalking Horse Notice") no later than **4:00 p.m. (prevailing Central Time) on August 12, 2020.**

(c) **Bid Deadline**. An Acceptable Bidder that desires to make a proposal, solicitation, or offer (each, a "Bid") shall transmit such proposal,

[5] Prior to giving Bid Protections to the Stalking Horse Bidder, the Debtors shall consult with the Office of the United States Trustee for the Southern District of Texas, as well as the Committee should one be appointed in these chapter 11 cases, one (1) day prior to providing Bid Protections pursuant to this Order.

solicitation, or offer via email (in .pdf or similar format) so as to be **actually received** on or before **August 26, 2020, at 4:00 p.m. (prevailing Central Time)** (the "Bid Deadline") to:

(i) Simmons Energy, a division of Piper Sandler & Co., 609 Main Street, Suite 3800 Houston, Texas 77002, Attn: Sanjiv Shah (sanjiv.shah@simmonspsc.com), Tim McEuen (tim.mceuen@simmonspsc.com), Steve Erzinger (steve.erzinger@simmonspsc.com), and Kirby Stockard (kirby.stockard@simmonspsc.com);

(ii) Kirkland & Ellis LLP, 601 Lexington Ave New York, New York 10022, Attn: Joshua A. Sussberg (jsussberg@kirkland.com) and Christopher T. Greco (cgreco@kirkland.com), and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha Lawrence (samantha.lawrence@kirkland.com) and Josh M. Altman (josh.altman@kirkland.com); and

(iii) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn: Jason S. Brookner (jbrookner@grayreed.com), Paul D. Moak (pmoak@grayreed.com), and Amber M. Carson (acarson@grayreed.com).

(d) **Bid Requirements.** Each Bid by an Acceptable Bidder must be submitted in writing and satisfy the following requirements (collectively, the "Bid Requirements"):

(i) Purpose. Each Acceptable Bidder must state that the Bid is an offer by the Acceptable Bidder to purchase certain of the Cementing Business and state which assets with specificity.

(ii) Purchase Price. Each Bid must clearly set forth the terms of any proposed Transaction, including and identifying separately any cash and non-cash components of the proposed Transaction consideration, including, for example, certain liabilities to be assumed by the Acceptable Bidder (the "Purchase Price").

(iii) Deposit. Each Bid must be accompanied by a cash deposit in the amount equal to 5% of the aggregate value of the proposed Purchase Price of the Bid to be held in a separate account for the benefit of the Debtors (the "Deposit").

(iv) Marked Agreement. Each Bid must include a marked version of (i) the Form APA, which is attached to the Order as Exhibit D, in each case, together with the exhibits and schedules related thereto and any related Transaction Documents or other material documents integral to such Bid, pursuant to which the Acceptable Bidder

proposes to effectuate the Transaction (collectively, the "Transaction Documents"). Any modifications to the Transaction contemplated by the Form APA must be submitted both as an executed PDF and in Word version, along with a marked version of all Transaction Documents against the form provided by the Debtors.

(v) Committed Financing. To the extent that a Bid is not accompanied by evidence of the Acceptable Bidder's capacity to consummate the Transaction set forth in its Bid with cash on hand, each Bid must include committed financing documented to the Debtors' satisfaction after consultation with the Consultation Parties that demonstrates that the Acceptable Bidder has received sufficient debt and/or equity funding commitments to satisfy the Acceptable Bidder's Purchase Price and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals.

(vi) Contingencies; No Financing or Diligence Outs. A Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence.

(vii) Binding and Irrevocable. An Acceptable Bidder's Bid must be irrevocable unless and until the Debtors accept a higher Bid and such Acceptable Bidder is not selected as the Backup Bidder.

(viii) Identity. Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Acceptable Bidder if such Acceptable Bidder is an entity formed for the purpose of consummating the proposed Transaction contemplated by such Bid), and the complete terms of any such participation. Each Bid should also include contact information for the specific person(s), counsel, and other advisor whom Simmons and Kirkland & Ellis LLP should contact regarding such Bid.

(ix) Adequate Assurance Information. Each Bid must be accompanied by sufficient and adequate financial and other information to demonstrate, to the satisfaction of the Debtors, that such Acceptable Bidder (a) has the financial wherewithal and ability to consummate the Transaction designated in the applicable purchase agreement, and (b) can provide adequate assurance of future performance in connection the Transaction.

(x) Authorization. Each Bid must contain evidence acceptable to the Debtors that the Acceptable Bidder has obtained authorization or

approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid, execution, and delivery of the Transaction Documents, and the consummation of the Transaction contemplated in such Bid.

(xi) No Fees. Each Acceptable Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed Transaction, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code; provided that the Debtors are authorized in their discretion to provide the Bid Protections to the Stalking Horse Bidder in accordance with these Bidding Procedures.

(xii) Time Frame for Closing. A Bid by an Acceptable Bidder must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid, within a time frame acceptable to the Debtors.

(xiii) Adherence to Bidding Procedures. By submitting its Bid, each Acceptable Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.

(e) **Minimum Value**. If the Debtors have filed the Stalking Horse Notice, in addition to the Bid Requirements set forth above, the Bid must provide for a Purchase Price equal to: (a) the Purchase Price set forth in the Stalking Horse Bid, plus (b) the Overbid Increment, plus (c) the Breakup Fee, if any (provided that such Breakup Fee must be paid in cash), plus (d) any other amounts payable under the Stalking Horse Bid to the Stalking Horse Bidder (the "Minimum Value").

(f) **Designation of Qualified Bidders**.

(i) A Bid will be considered a "Qualified Bid," and each Acceptable Bidder that submits a Qualified Bid will be considered a "Qualified Bidder," if the Debtors, after consultation with the Consultation Parties, determine that such Bid:

1. satisfies the Bid Requirements set forth above;

2. provides a Purchase Price that exceeds the Minimum Value; and

3. is reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the

Winning Bid, within a time frame acceptable to the Debtors and the Committee.

(ii) Within three business days after the Bid Deadline, the Debtors will notify each Qualified Bidder whether such party is a Qualified Bidder and shall provide the Notice Parties a copy of each Qualified Bid.

(iii) If any Bid is determined by the Debtors not to be a Qualified Bid, the Acceptable Bidder shall be notified by the Debtors, and shall have until **August 29, 2020 at 4:00 p.m. (prevailing Central Time)**, to modify its Bid to increase the Purchase Price or otherwise improve the terms of the Bid for the Debtors; *provided* that any Qualified Bid may be improved at the Auction as set forth herein. If no Qualified Bid is received from an Acceptable Bidder pursuant to this paragraph, the Debtors will refund such Acceptable Bidder's Deposit on the date that is three business days after the Bid Deadline.

(iv) Between the date the Debtors notify an Acceptable Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their Purchase Price, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; and *in addition*, any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

(v) Notwithstanding anything herein to the contrary, the Debtors reserve the right to work with (a) Potential Bidders and Acceptable Bidders to aggregate two or more Bids into a single consolidated Bid or (b) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction. The Debtors reserve the right to cooperate with any Acceptable Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtors may accept a single Qualified Bid or multiple Bids that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple bidders shall be treated as a single Qualified Bidder for purposes of the Auction).

(g) **Right to Credit Bid**.

(i) Any Qualified Bidder who has a valid and perfected lien on any assets of the Debtors' estates (a "Secured Creditor") shall have the right to credit bid all or a portion of the value of such Secured Creditor's claims within the meaning of section 363(k) of the Bankruptcy Code; *provided* that a Secured Creditor shall have the right to credit bid its claim only with respect to the collateral by which such Secured Creditor is secured.

(h) **No Qualified Bids**. If the Debtors have received no Qualified Bids other than a Stalking Horse Bid as of the Bid Deadline, then the Auction will not occur and such Qualified Bid, if any, will be deemed the Winning Bid. The Debtors reserve all rights to extend the Bid Deadline to such later date that the Debtors believe is necessary, in their sole discretion, to obtain additional Qualified Bids

(i) **The Auction**.

(i) If the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Bid, the Debtors will conduct the Auction to determine the Winning Bidder with respect to the Transaction.

(ii) Prior to the Auction, the Debtors and their advisors will notify all Qualified Bidders of the highest or otherwise best Qualified Bid, as determined in the Debtors' business judgment (the "Baseline Bid"), and provide copies of the documents supporting the Baseline Bid to all Qualified Bidders, the Committee, if any, and the Notice Parties. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Winning Bid shall take into account any factors the Debtors, after consultation with the Consultation Parties, reasonably deem relevant to the value of the Qualified Bid to the Debtors' estates, including, among other things: (a) the number, type, and nature of any changes to the Form APA requested by the Qualified Bidder; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close the Transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtors' estates from the Transaction contemplated by the Baseline Bid; (e) the tax consequences of such Qualified Bid; and (f) impact to vendors, landlords, and employees (collectively, the "Bid Assessment Criteria").

(iii) The Auction shall take place no later than **11:59 p.m. (prevailing Central Time) on September 2, 2020**, either by remote video or at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, as will be indicated in the

Auction Notice or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties; *provided* that the Auction shall not be continued more than three days without the consent of the Consultation Parties. The Auction shall be conducted in a timely fashion according to the following procedures:

1. The Debtors and their professionals shall direct and preside over the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid. All incremental Bids made thereafter shall be Overbids and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids, and the Winning Bid.

2. Only Qualified Bidders (including the Stalking Horse Bidder), the Debtors and the Consultation Parties, and each of their respective legal and financial advisors, and any other parties specifically invited or permitted to attend by the Debtors, shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Except as otherwise permitted by the Debtors, only Qualified Bidders shall be entitled to bid at the Auction.

3. Terms of Overbids. "Overbid" means any Bid made at the Auction by a Qualified Bidder subsequent to the Debtors' announcement of the Baseline Bid. Each Overbid must comply with the following conditions:

   - Minimum Overbid Increment. Any Overbid following the Baseline Bid or following any subsequent Prevailing Highest Bid shall be in increments of value equal to $150,000 unless otherwise determined by the Debtors in an exercise of their business judgment (the "Overbid Increment").

   - Conclusion of Each Overbid Round. Upon the solicitation of each round of Overbids, the Debtors may announce a deadline (as the Debtors may, in their business judgment, extend from time to time, the "Overbid Round Deadline") by which time any Overbids must be submitted to the Debtors.

- Overbid Alterations. An Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtors' estates than any prior Qualified Bid or Overbid, as determined in the Debtors' business judgment after consultation with the Consultation Parties, but shall otherwise comply with the terms of these Bidding Procedures.

- Announcing Highest Bid. Subsequent to each Overbid Round Deadline, the Debtors shall announce whether the Debtors have identified an Overbid as being higher or otherwise better than the Baseline Bid, in the initial Overbid Round, or, in subsequent rounds, the Overbid previously designated by the Debtors as the prevailing highest or otherwise best Bid (the "Prevailing Highest Bid"). The Debtors shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtors as the Prevailing Highest Bid, as well as the value attributable by the Debtors to such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria.

- Consideration of Overbids. The Debtors reserve the right, in their business judgment, after consultation with the Consultation Parties, to adjourn the Auction one or more times, to, among other things (i) facilitate discussions between the Debtors and Potential Bidders, (ii) allow Qualified Bidders to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their business judgment, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed Transaction at the prevailing Overbid amount.

- Closing the Auction. The Auction shall continue until there is only one Qualified Bid that the Debtors determine, in their business judgment, after consultation with the Consultation Parties, to be the highest or otherwise best Qualified Bid. Such Qualified Bid shall be declared the winning bid (the "Winning Bid") and such Qualified Bidder, the winning bidder (the "Winning Bidder"), at which point the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable

opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid. Such acceptance by the Debtors of the Winning Bid is conditioned upon approval by the Court of the Winning Bid. For the avoidance of doubt, nothing in these Bidding Procedures shall prevent the Debtors from exercising their respective fiduciary duties under applicable law. As soon as reasonably practicable after closing the Auction, the Debtors shall finalize definitive documentation to implement the terms of the Winning Bid, and, as applicable, cause such definitive documentation to be filed with the Court.

- No Collusion; Good-Faith *Bona Fide* Offer. Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (i) it has not engaged in any collusion with respect to the bidding and (ii) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Transaction if selected as the Winning Bidder.

(j) **Backup Bidder**.

(i) Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid at the Auction, as determined by the Debtors in the exercise of their business judgment, after consultation with the Consultation Parties, shall be required to serve as a backup bidder (the "Backup Bidder") until such time that the Transaction is consummated upon entry of an order approving the Sale under section 363 of the Bankruptcy Code, and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated by the Debtors.

(ii) The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtors, at the conclusion of the Auction at the same time the Debtors announce the identity of the Winning Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until such time that the Transaction is consummated upon entry of an order approving the Transaction under section 363 of the Bankruptcy Code. The Backup Bidder's Deposit shall be held in a separate account pending approval of the Transaction by court order.

(iii) If the Winning Bidder fails to consummate the approved Transaction contemplated by its Winning Bid, the Debtors may select the Backup Bidder as the Winning Bidder, and such Backup Bidder shall be deemed a Winning Bidder for all purposes. The Debtors will be authorized, but not required, to consummate the Transaction contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Winning Bidder's Deposit shall be forfeited to the Debtors' estates, and the Debtors, on behalf of themselves and their estates, specifically reserve the right to seek all available remedies against the defaulting Winning Bidder, including, but not limited to, specific performance.

(k) **Notice and Consultation Parties**.

(i) Information must be provided to the following parties under these Bidding Procedures (the "Notice Parties"): (a) counsel to JPMorgan Chase Bank, N.A., in its capacity as agent under the Debtors' prepetition ABL credit agreement (the "Prepetition ABL Agent"); (b) counsel to GACP Finance Co., LLC, in its capacity as agent under the Debtors' prepetition equipment term loan (the "Prepetition Equipment Term Loan Agent"); (c) counsel to CLMG Corp., in its capacity as agent under the Debtors' prepetition real estate term loan (the "Prepetition Real Estate Term Loan Agent" and together with the Prepetition ABL Agent and Prepetition Term Loan Agent, the "Agents"); (d) counsel to the Committee; and (e) the United States Trustee for the Southern District of Texas.

(ii) The term "Consultation Parties" as used in these Bidding Procedures shall mean: (a) counsel to Prepetition ABL Agent, (b) counsel to Prepetition Equipment Term Loan Agent, (c) counsel to Prepetition Real Estate Term Loan Agent, and (d) counsel to any Committee, if any. To the extent that any Consultation Party submits a Bid, it shall no longer be a Consultation Party unless and until it (i) withdraws such Bid, (ii) does not thereafter become a Qualified Bidder, or (iii) becomes a Qualified Bidder but elects to not participate in, to cease bidding at, or to withdraw from the Auction.

(l) **"As Is, Where Is."**

(i) Consummation of any Transaction will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtors or their estates, except as specifically accepted or agreed to by the Debtors. Except as specifically accepted or agreed to by the Debtors, all of the Debtors' right, title, and interest in and to the Cementing Business will be transferred to

the Winning Bidder pursuant to section 363(b) of the Bankruptcy Code.

(ii) By submitting a Bid, each Acceptable Bidder will be deemed to acknowledge and represent that it (i) has had an opportunity to conduct adequate due diligence regarding the Transaction prior to making its Bid, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Transaction or the completeness of any information provided in connection therewith or the Auction, except the representations and warranties as expressly stated in the Acceptable Bidder's Transaction Documents; and (iv) the Acceptable Bidder did not engage in any collusive conduct and acted in good faith in submitting its Bid.

(m) **Reservation of Rights**. The Debtors reserve their rights to modify these Bidding Procedures in their business judgment, in consultation with the Consultation Parties, in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on the Transaction, including: (a) extending the deadlines set forth in these Bidding Procedures; (b) adjourning the Auction at the Auction; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) canceling the Auction; and (e) rejecting any or all Bids or Qualified Bids. Nothing in these Bidding Procedures shall abrogate the fiduciary duties of the Debtors. Notwithstanding anything to the contrary herein, the Debtors, in consultation with the Consultation Parties, may elect to consummate the Transaction through a chapter 11 plan as opposed to under section 363(b) of the Bankruptcy Code.

(n) **Consent to Jurisdiction**. All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of these Bidding Procedures.

(o) **Approval of Winning Bid Hearing.**

(i) A hearing to consider the Transaction under section 363 of the Bankruptcy Code (the "Sale Hearing") pursuant to which the Debtors and the Winning Bidder intend to consummate the Transaction contemplated by the Winning Bid will be held **no later than September 8, 2020** and otherwise in accordance with any scheduling order entered by the Court.

(ii) **The Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Hearing. No further notice of any such continuance will be required to be provided to any party.**

(p) **Return of Deposit**.

(i) The Deposit of the Winning Bidder shall be applied to the Purchase Price of such Transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more separate accounts on terms acceptable to the Debtors and shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) on the date that is three business days after the Auction.

(ii) If a Winning Bidder fails to consummate a proposed Transaction because of a breach by such Winning Bidder, the Debtors will not have any obligation to return the Deposit deposited by such Winning Bidder, which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors and their estates, and the Debtors shall be free to consummate the proposed Transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

(q) **No Modification of Bidding Procedures**. These Bidding Procedures may not be modified except in accordance with Section m of the Bidding Procedures.

17. Importantly, the Bidding Procedures recognize the Debtors' fiduciary obligations to maximize value, and, as such, do not impair the Debtors' ability to consider all Qualified Bid proposals. In addition, the Bidding Procedures preserves the Debtors' right to modify the Bidding Procedures as necessary or appropriate to maximize the value of the Cementing Business.

III. The Assumption and Assignment Procedures.

18. On a date no later than fourteen (14) days prior to the Sale Hearing, the Debtors shall file with the Court a notice in the form included in Exhibit C attached to the Order (the "Assumption and Assignment Notice") to assume one or more Contracts pursuant to section 365 of the Bankruptcy Code, which shall set forth, among other things: (a) the Contract or Contracts to be assumed; (b) the names and addresses of the counterparties to such Contracts;

(c) the identity of the proposed assignee of such Contracts (the "Assignee"), if applicable; (d) the effective date of the assumption for each such Contract (the "Assumption Date"); (e) the proposed cure amount (the "Cure Costs"), if any for each such Contract; (f) a description of any material amendments to the Contract made outside of the ordinary course of business; and (g) the deadlines and procedures for filing objections to the Assumption and Assignment of such Contract (as set forth below).

19. The Debtors will cause the Assumption and Assignment Notice to be served (a) by overnight delivery service upon the Contract counterparties affected by the Assumption and Assignment Notice at the address set forth in the notice provision of the applicable Contract (and their counsel, if known) and (b) by first class mail, email, or fax upon the Notice Parties. To the extent the Debtors seek to assume and assign a lease of non-residential real property, the Debtors will, at the request of the applicable lease counterparty, use commercially reasonable efforts to provide evidence to such applicable lease counterparty (and their counsel, if known) demonstrating that the assignee of the lease has the ability to comply with the requirements of adequate assurance of future performance.

20. Parties objecting to a proposed assumption and assignment and/or to a Winning Bidder's proposed form of adequate assurance of future performance must file a written objection (each, an "Assumption Objection") so that such Assumption Objection is filed with the Court and actually received four (4) days prior to the Sale Hearing and served on the Notice Parties. If no objection to the assumption of any Contract is timely filed, each Contract shall be assumed as of the Assumption Date set forth in the applicable Assumption and Assignment Procedures or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree, and the proposed cure amount shall be binding on all counterparties to such Contract and no amount in excess thereof shall be paid for cure purposes; *provided, however,* that the Assumption Date for a

lease of nonresidential real property shall not occur earlier than the date the Debtors filed and served the applicable Assumption and Assignment Notice.

21. If the Assumed Contract Counterparty does not file and serve an Assumption Objection or supplemental Assumption Objection in a manner that is consistent with the requirements set forth herein, and absent a subsequent order of the Court in connection with such objection establishing an alternative Cure Cost, (a) the Cure Costs, if any, set forth in the Notice of Assumption and Assignment shall be controlling, notwithstanding anything to the contrary in any Assumed Contract or any other document, and (b) the Assumed Contract Counterparty will be deemed to have consented to the assumption and assignment of the Assumed Contract and the Cure Costs, if any, and will be forever barred from asserting any other claims related to such Assumed Contract against the Debtors or the Winning Bidder, or the property of any of them.

22. The inclusion of an Assumed Contract on the Notice of Assumption and Assignment will not: (a) obligate the Debtors to assume any Assumed Contract listed thereon or the Winning Bidder to take assignment of such Assumed Contract; or (b) constitute any admission or agreement of the Debtors that such Assumed Contract is an executory contract. Only those Assumed Contracts that are included on a schedule of assumed and acquired contracts attached to a final asset purchase agreement with a Winning Bidder (including amendments or modifications to such schedules in accordance with such asset purchase agreement) will be assumed and assigned to the applicable Winning Bidder. No Assumed Contract shall be assumed absent closing on the assignment thereof to the applicable Winning Bidder.

23. With regard to Contracts to be assigned, pursuant to section 363(b) of the Bankruptcy Code, the assignment of any Contract shall: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights) and (ii) any and all claims (as that term is defined in section 101(5) of

the Bankruptcy Code), obligations, demands, guarantees of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, claims, and encumbrances that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s) (but only in connection with the assignment by the Debtor to the Assignee)), and (b) constitutes a legal, valid, and effective transfer of such Contract(s) and vests the applicable Assignee with all rights, titles, and interests to the applicable Contract(s). For the avoidance of doubt, all provisions of the applicable assigned Contract, including any provision limiting future assignment, shall be binding on the applicable Assignee after consummation of the assignment of such Contract by the Debtors to the Assignee.

IV. Form and Manner of the Auction and Sale Hearing.

24. The Auction shall take place no later than September 2, 2020 at 11:59 p.m. (prevailing Central Time) either by remote video or at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, as will be indicated in the Auction Notice or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties; provided, however, that the Auction shall not be continued more than three days without the consent of the Consultation Parties.

25. Within three (3) business days of the entry of the Order, or as soon thereafter as practicable, the Debtors shall cause the Auction Notice attached to the Order as Exhibit B to be served upon the Notice Parties. The Auction Notice will indicate that copies of this Motion and any future sale motion documents, if applicable, can be obtained on the website of the Debtors' claims and noticing agent, Donlin, Recano & Company Inc., www.donlinrecano.com/bjs. The

Auction Notice will include, among other things, the proposed date, time, and place of the Auction and the deadline for filing any objections to the relief requested in this motion, and, will therefore, comply with Bankruptcy Rule 2002(c). The Debtors submit that this Motion and the Auction Notice constitutes good and adequate notice of the Auction and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002. The Debtors propose that no other or further notice of the Auction shall be required. Accordingly, the Debtors request the Court approve the form and manner of the notice.

Basis for Relief

I. The Bidding Procedures Are Fair, Designed to Maximize the Value of the Cementing Business, and Are Consistent with the Debtors' Reasonable Business Judgment.

26. Courts have made clear that a debtor's business judgment is entitled to substantial deference with respect to the procedures to be used in selling an estate's assets. *See, e.g., In re Institutional Creditors of Continental Air Lines, Inc. v. Continental Air Lines, Inc., (In re Continental Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) ("[F]or a debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business"); *In re Crutcher Resources Corp.*, 72 B.R. 628, 631 (Bankr. N.D. Tex. 1987) ("A Bankruptcy Judge has considerable discretion in approving a § 363(b) sale of property of the estate other than in the ordinary course of business but the movant must articulate some business justification for the sale.").

27. The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. *See In re Edwards*, 228 B.R. 552, 561 (Bankr. E.D. Pa. 1998) ("The purpose of procedural bidding orders is to facilitate an open and fair public sale designed to maximize value for the estate"); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564–65 (8th Cir.

1997) (in bankruptcy sales, "a primary objective of the [Bankruptcy Code] [is] to enhance the value of the estate at hand"); *In re Integrated Res., Inc.*, 147 B.R. 650, 659 (S.D.N.Y. 1992) ("[I]t is a well-established principle of bankruptcy law that the objective of the bankruptcy rules and the trustee's duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate") (internal citations omitted).

28. To that end, courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy transactions. *See, e.g., In re Integrated Res., Inc.*, 147 B.R. at 659 (bidding procedures "are important tools to encourage bidding and to maximize the value of the debtor's assets"); *In re Fin. News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1991) ("court-imposed rules for the disposition of assets [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estates.").

29. Here, the Debtors carefully evaluated a number of qualitative and quantitative factors in designing a process they believe will maximize the value of their estates and produce maximum recoveries for their stakeholders. This includes the Bidding Procedures, which were designed to promote active bidding from genuinely interested parties and to elicit the highest or otherwise best offers available for the Cementing Business. The Debtors are confident that the Bidding Procedures will allow the Debtors to solicit additional offers and conduct their sale process in a controlled, fair, and open fashion, encouraging participation by financially capable bidders who can demonstrate the ability to assume the assets, obligations, and liabilities being transferred. Specifically, the Bidding Procedures contemplate an open auction process with

minimum barriers to entry and provides Potential Bidders sufficient time to perform due diligence and acquire the information necessary to submit a timely and well-informed Bid.

30. Moreover, there is a presumption that a sale will result in a full and fair price where the sale is conducted through a court-approved auction process. *See Bank of Am. Nat'l Trust & Sav. Ass'n. v. LaSalle St. P'ship*, 526 U.S. 434, 457 (1999). *See also In Re Trans World Airlines, Inc.*, No. 01-00056, 2001 WL 1820326, at *4 (Bankr. D. Del. 2001) (while a "sale transaction does not require an auction procedure," "the auction procedure has developed over the years as an effective means for producing an arm's length fair value transaction.").

31. The Debtors also seek authority, but not direction, pursuant to the Bidding Procedures to offer Bid Protections to the Stalking Horse Bidder in the event the Debtors elect to enter into a stalking horse arrangement with non-insider third-party bidders. The Debtors seek to utilize such authority only in their discretion if the Debtors determine in their business judgment that any such Bid Protections will facilitate a competitive bidding and Auction process.

32. Generally, stalking horse bid protections are a normal and, in many cases, necessary component of significant sales conducted under section 363 of the Bankruptcy Code. For example, "[b]reak-up fees are important tools to encourage bidding and to maximize the value of the debtor's assets . . . In fact, because the . . . corporation has a duty to encourage bidding, break-up fees can be necessary to discharge [such] duties to maximize value." *In re Integrated Res., Inc.*, 147 B.R. at 659–60 (emphasis added). Specifically, stalking horse bid protections may be necessary to convince a stalking horse bidder to enter the bidding process by providing some form of compensation for the risks that it is undertaking. *In re Integrated Res., Inc.*, 147 B.R. at 660–61 (bid protections can prompt bidders to commence negotiations and "ensure that a bidder does not retract its bid"); *In re Hupp Int'l Indus., Inc.*, 140 B.R. 191, 194 (Bankr. N.D. Ohio 1992) ("[W]ithout such fees, bidders would be reluctant to make an initial bid for fear that their first bid

will be shopped around for a higher bid from another bidder who would capitalize on the initial bidder's . . . due diligence.").

33. Courts in the Fifth Circuit analyze the appropriateness of bidding incentives under the "business judgment rule" standard. The law is well established in this district. Courts consider whether (a) the incentive hampers, rather than encourages, bidding, and (b) the amount of the incentive is unreasonable relative to the proposed purchase price. *See In re ASARCO, L.L.C.*, 650 F.3d 593 (5th Cir. 2011) (affirming bankruptcy court's decision to apply the business judgment rule to evaluate whether an expense reimbursement bid protection was permissible). *See also In re ASARCO LLC*, 441 B.R. 813, 826 (S.D. Tex. 2010) (explaining three-part test used to determine whether expense reimbursement was permissible under business judgment rule); *In re Integrated Res., Inc.*, 147 B.R. at 657-58 (explaining that to evaluate bid protections, courts should employ the business judgment rule).

34. The stalking horse Bid Protections proposed here are reasonable under this standard. The Debtors believe obtaining authority to pay the Expense Reimbursement is in the best interests of their estates. The Stalking Horse Bidder will expend time and resources negotiating, drafting, and performing due diligence in connection with and consummating the Sale. Nonetheless, there is a risk the Stalking Horse Bidder will not be deemed the Winning Bidder at the end of this lengthy process. The Expense Reimbursement is necessary to protect the Stalking Horse Bidder and incentivize it to assume an important role in the sale process. The benefit to the estates resulting from the participation of the Stalking Horse Bidder will outweigh the cost of any Expense Reimbursement paid to it. Additionally, the Debtors' provision of a customary Breakup Fee to the Stalking Horse Bidder likewise reflects the Debtors' sound business judgment. The Breakup Fee incentivizes the Stalking Horse Bidder to invest the time, money, and resources to perform the necessary due diligence to negotiate the Transaction with the Debtors, despite the

inherent risks and uncertainties associated with the Auction and the chapter 11 process. In addition, the Breakup Fee serves as additional protection for the Stalking Horse Bidder to continue to participate in the process as the Debtors pursues other offers consistent with their fiduciary obligations.

35. Accordingly, for the foregoing reasons, the Bidding Procedures: (a) will encourage robust bidding for the Cementing Business; (b) are consistent with other procedures previously approved by courts in this District; and (c) are appropriate under the relevant standards governing auction proceedings and bidding incentives in bankruptcy. Therefore, the Debtors respectfully request that the Court enter an order approving the Bidding Procedures.

II. The Form and Manner of the Auction and Sale Notice Should Be Approved.

36. Pursuant to Bankruptcy Rule 2002(a), the Debtors are required to provide creditors with 21 days' notice of the Auction. Pursuant to Bankruptcy Rule 2002(c), such notice must include the time and place of the Auction and the deadline for filing any objections to the relief requested herein.

37. The Auction Notice will include, among other things, the proposed date, time, and place of the Auction and the deadline for filing any objections to the relief requested in this motion, and, will therefore, comply with Bankruptcy Rule 2002(c). Accordingly, no further notice is necessary and the Debtors request that this Court approve the form and manner of notice of the Auction.

III. The Assumption and Assignment of the Assigned Contracts Should Be Approved.

A. The Assumption and Assignment of the Contracts Reflects the Debtors' Reasonable Business Judgment.

38. Section 365 of the Bankruptcy Code authorizes a debtor to assume and assign its executory contracts and unexpired leases, subject to court approval, provided that the defaults

under such contracts and leases are cured and adequate assurance of future performance is provided. A debtor's decision to assume or reject an executory contract or unexpired lease must only satisfy the "business judgment rule" and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment. *See, e.g., Grp. of Institutional Investors v. Chicago, Milwaukee, St. Paul & Pacific Ry. Co.*, 318 U.S. 523, 550–51 (1943) (applying Bankr. Act section 77(b), predecessor to Bankruptcy Code section 365, and rejecting test of whether executory contract was burdensome in favor of whether rejection is within debtor's business judgment); *Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989) (affirming rejection of an executory contract as measured by "business judgment" test); *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006) ("The propriety of a decision to reject an executory contract is governed by the business judgment standard"), *vacated on other grounds and remanded*, 607 F.3d 957 (3d Cir. 2010); *In re Network Access Solutions, Corp.*, 330 B.R. 67, 75 (Bankr. D. Del. 2005) ("The standard for approving the assumption of an executory contract is the business judgment rule.").

39. Here, the Court should approve the Debtors' request for authority to assume or assume and assign their executory contracts and unexpired leases where they determine, in their business judgment, it is an essential component of the Sale: ***First***, the Debtors' executory contracts and unexpired leases may be necessary to effectively operate or utilize the Cementing Business and, as such, they are essential to inducing the best offer or offers for the Cementing Business. ***Second***, it is possible a potential purchaser would not want to acquire certain assets unless a significant number of the contracts and leases associated with the Cementing Business are included in the Transaction. ***Third***, the Debtors anticipate that the assumption and assignment of the Assumed Contracts will be integral to, and inextricably integrated in, certain Sales. ***Finally***, the Debtors' executory contracts and unexpired lease would be assumed or assumed and assigned

though a process approved by the Court pursuant to the Bidding Procedures Order and, thus, would be reviewed by key constituents in these chapter 11 cases.

40. Accordingly, the Debtors submit the assumption or assumption and assignment of their executory contracts and unexpired leases by way of the Assumption Procedures should be approved as a sound exercise of their business judgment.

B. Defaults Under the Assumed Contracts Will Be Cured Through the Sale.

41. Upon finding that a debtor has exercised its business judgment in determining that assuming an executory contract or unexpired lease is in the best interest of its estate, courts must then evaluate whether the assumption meets the requirements of section 365(b) of the Bankruptcy Code that a debtor (a) cure, or provide adequate assurance of promptly curing, prepetition defaults in the executory contract, (b) compensate parties for pecuniary losses arising therefrom, and (c) provide adequate assurance of future performance thereunder. This section "attempts to strike a balance between two sometimes competing interests, the right of the contracting non-debtor to get the performance it bargained for and the right of the debtor's creditors to get the benefit of the debtor's bargain." *In re Luce Indus., Inc.*, 8 B.R. 100, 107 (Bankr. S.D.N.Y. 1980) (footnote omitted), *rev'd and remanded*, 14 B.R. 529 (S.D.N.Y. 1981).

42. The Debtors submit that the statutory requirements of section 365(b)(1)(A) of the Bankruptcy Code will be promptly satisfied because the Bidding Procedures require that all Qualified Bidders commit to assuming all outstanding obligations (with the exception of obligations under the Debtors' prepetition secured debt facilities), which would include curing all defaults associated with any executory contracts or unexpired leases assumed or assumed and assigned as part of the Sale. Because the Bidding Procedures Order (once approved) provides a clear process by which to resolve disputes over cure amounts or other defaults, the Debtors are confident that if defaults exist that must be cured, such cure will be achieved fairly, efficiently,

and properly, consistent with the Bankruptcy Code and with due respect to the rights of non-Debtor parties.

C. Non-Debtor Parties Will Be Adequately Assured of Future Performance.

43. Similarly, the Debtors submit that the third requirement of section 365(b) of the Bankruptcy Code—adequate assurance of future performance—is also satisfied given the facts and circumstances present here. The meaning of "adequate assurance of future performance" depends on the facts and circumstances of each case, but should be given a "practical, pragmatic construction." *In re DBSI, Inc.*, 405 B.R. 698, 708 (Bankr. D. Del. 2009). *See also In re Decora Indus., Inc.*, No. 00-4459, 2002 WL 32332749, at *8 (D. Del. May 20, 2002) ("[A]dequate assurance falls short of an absolute guaranty of payment."); *In re Prime Motor Inns, Inc.*, 166 B.R. 993, 997 (Bankr. S.D. Fla. 1994) ("[T]he assurance of future performance is adequate if performance is likely (i.e., more probable than not); the degree of assurance necessary falls considerably short of an absolute guaranty."). Among other things, adequate assurance may be given by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. *See In re Bygaph, Inc.*, 56 B.R. 596, 605–06 (Bankr. S.D.N.Y. 1986) (finding adequate assurance of future performance where a prospective assignee has financial resources and has expressed a willingness to devote sufficient funding to a business to give it a strong likelihood of succeeding).

44. The Debtors will satisfy the requirements for assumption or assumption and assignment of any executory contracts and unexpired leases in connection with any Sale. The Bidding Procedures require the Debtors to evaluate the financial wherewithal (e.g., financial credibility, willingness and ability of the interested party to perform under any executory contracts and unexpired lease proposed to be assigned) of Potential Bidders before designating any party an Acceptable Bidder or a Qualified Bidder. Further, the Acceptable Bidder or Qualified Bidder may

be required to provide adequate assurance of future performance. And, all counterparties to Assumed Contracts will be provided with notice of the proposed assumption and assignment and will have adequate time and opportunity to object to the assumption and proposed cure amount or otherwise be heard with respect thereto.

Emergency Consideration

45. 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 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." As set forth in this Motion, an immediate and orderly transition into chapter 11 is critical to the ability of the Debtors' to maximize the value of their estates, and this emergency Motion is necessary to prevent unnecessary delay in these chapter 11 cases. Furthermore, the failure to receive the requested relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors' operations and efforts at this critical juncture. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

46. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and

that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

47. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any

particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

Notice

48. The Debtors will provide notice of this Motion to the following parties: (a) the Office of the U.S. Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the administrative agent under the Debtors' prepetition asset-based revolving credit facility and counsel thereto; (d) the administrative agent under the Debtors' prepetition term loan facility and counsel thereto; (e) the administrative agent under the Debtors' prepetition real estate loan and counsel thereto; (f) the United States Attorney's Office for the Southern District of Texas; (g) the Internal Revenue Service; (h) the United States Securities and Exchange Commission; (i) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (j) the state attorneys general for states in which the Debtors conduct business; and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

49. No prior motion for the relief requested herein has been made to this or any other court.

[*Remainder of page intentionally left blank.*]

WHEREFORE, the Debtors respectfully request that the Court enter the Bidding Procedures Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Houston, Texas
July 21, 2020

/s/ Paul D. Moak

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Certificate of Service

I certify that on July 21, 2020, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Paul D. Moak
Paul D. Moak

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. __**

ORDER (I) ESTABLISHING BIDDING PROCEDURES FOR THE SALE OF THE CEMENTING BUSINESS, (II) SCHEDULING BID DEADLINES AND AN AUCTION, (III) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, (IV) APPROVING CONTRACT ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (V) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (the "Debtors"), for entry of an order (this "Order"): (a) authorizing and approving the Bidding Procedures for the Sale of the Cementing Business; (b) establishing certain dates and deadlines including, the Bid Deadline, and the date of the Auction, if any, (c) approving the form and manner of the Auction, if any and Winning Bidder, (d) approving the Assumption and Assignment Procedures for the assumption and assignment of certain executory contracts and unexpired leases and related cure amounts; and (e) granting related relief, all 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 this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate; and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, THE COURT HEREBY FINDS THAT:

1. 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 proceeding pursuant to Bankruptcy Rule 9014. To the extent that 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.

2. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order of Reference to Bankruptcy Judges*, General Order 2012-6 (S.D. Tex. May 24, 2012) (Hinojosa, C.J.). Venue is proper in this district and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. Good and sufficient notice of the Motion, the Bidding Procedures, and the relief sought in the Motion has been given under the circumstances, and no other or further notice is required except as set forth herein. A reasonable opportunity to object or be heard regarding the relief provided herein has been afforded to parties in interest.

4. The Debtors have articulated good and sufficient reasons for this Court to: (a) authorize and approve the Bidding Procedures for the Sale of the Cementing Business; (b) establish certain dates and deadlines including, the Bid Deadline, and the date of the Auction, if any, (c) approve the form and manner of the Auction, if any, and Sale Hearing, (d) approve the Assumption and Assignment Procedures for the assumption and assignment of certain executory contracts and unexpired leases and related cure amounts; and (e) grant related relief.

5. The Motion, the related hearing to consider entry of the Bidding Procedures Order, and the Auction Notice constitutes good and adequate notice of the Auction, if any, and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002.

6. The Bidding Procedures attached as Exhibit A to the Order are fair, reasonable, appropriate, and are designed to maximize value from the consummation of the Transaction and are consistent with the Debtors' exercise of their respective fiduciary duties under applicable law.

7. The legal and factual bases set forth in the Motion establish just cause for the relief granted herein. Entry of this Order is in the best interests of the Debtors and their estates, creditors, interest holders, and all other parties in interest.

8. Nothing contained herein shall prejudice or impair any Secured Creditor's right to credit bid.

IT IS HEREBY ORDERED THAT:

1. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Motion or by stipulation filed with the Court are overruled.

I. Important Dates and Deadlines.

Date	Event
Deadline to Receive Stalking Horse Bids	August 5, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Stalking Horse Bidder (if any)	August 12, 2020, at 4:00 p.m. (prevailing Central Time)
Bid Deadline	August 26, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Qualified Bidders	Within three business days after the Bid Deadline
Auction (if applicable)	No later than September 2, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Sale Hearing	No later than September 8, 2020

2. **Stalking Horse Bid Deadline**. **August 5, 2020 at 4:00 p.m. (prevailing Central Time)** is the deadline for Acceptable Bidders that wish to be selected as the Stalking Horse Bidder must meet the Bid Requirements and submit a final version of the Form APA to Simmons and counsel to the Debtors. The Debtors may engage in further negotiation with each of the Acceptable Bidder regarding the Bid Documentation following the Stalking Horse Bid Deadline. The Bid Documentation should be submitted both as an executed PDF and in Word version, along with a marked version of all Bid Documentation against the form provided by the Debtors.

3. **Notice of Stalking Horse Bidder (if any).** If the Debtors execute a Stalking Horse Agreement, **no later than August 12, 2020 at 4:00 p.m.** is the deadline for the Debtors to file a notice with the Court announcing the Stalking Horse Bidder and execution of the Stalking Horse Agreement.

4. **Bid Deadline**. **August 26, 2020, at 4:00 p.m. (prevailing Central Time)**, is the deadline by which Bids (as well as the Deposit and all other documentation required under the Bidding Procedures for Qualified Bidders) must be submitted in accordance with the terms of the Bidding Procedures.

5. **Notice of Qualified Bidder Deadline**. If any Bid is determined by the Debtors not to be a Qualified Bid, the Acceptable Bidder shall be notified by the Debtors, and shall have until **August 29, 2020 at 4:00 p.m. (prevailing Central Time)**, to modify its Bid to increase the Purchase Price or otherwise improve the terms of the Bid for the Debtors; *provided* that any Qualified Bid may be improved at the Auction as set forth herein. If no Qualified Bid is received from an Acceptable Bidder pursuant to this paragraph, the Debtors will refund such Acceptable Bidder's Deposit on the date that is three business days after the Bid Deadline.

6. **Auction**. **September 2, 2020** is the date and time the Auction, if any, which will be held either by remote video or at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, as will be indicated in the Auction Notice or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties; *provided* that the Auction shall not be continued more than three days without the consent of the Consultation Parties. As soon as reasonably practicable after the conclusion of the Auction, the Debtors will provide notice of the Winning Bidder.

7. **Sale Hearing**. No later than September 2, 2020, at __:00 a.m., prevailing Central Time, is the date and time for the hearing to consider the consummation of the Transaction contemplated by the Winning Bid.

II. Auction, Bidding Procedures, and Related Relief.

8. The Bidding Procedures, attached to the Order as Exhibit A, are incorporated herein and are hereby approved in their entirety, and the Bidding Procedures shall govern the submission,

receipt, and analysis of all Bids relating to any Transaction. Any party desiring to submit a Bid shall comply with the Bidding Procedures and this Order. The Debtors are authorized to take any and all actions necessary to implement the Bidding Procedures.

9. At the Auction, each Qualified Bidder will be entitled, but will not be obligated, to submit Overbids and will be entitled in any such Overbids to credit bid all or a portion of the value of the secured portion of its claims within the meaning of section 363(k) of the Bankruptcy Code, subject to the limits on credit bidding set forth in the Bidding Procedures.

10. At the Auction, the Debtors may: (a) select, in their business judgment, pursuant to the Bidding Procedures, the highest or otherwise best Bid and the Winning Bidder or Backup Bidder; and (b) reject any Bid (regardless of whether such Bid is a Qualified Bid) that, in the Debtors' business judgment, is (i) inadequate, insufficient, or not the highest or best Bid, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, or the Bidding Procedures, or (iii) contrary to, or otherwise not in the best interests of, the Debtors' estates, affected stakeholders, or other parties in interest.

11. The Debtors shall be authorized, but not obligated, in an exercise of their business judgment, to select no more than one Stalking Horse Bidder and may agree to provide such Stalking Horse Bidder certain bid protections, including the expense reimbursement, work fee, and/or a break-up fee (the "Bid Protections"); *provided* that Bid Protections for the Stalking Horse Bidder that may be selected shall not exceed three percent of any cash amount of any proposed purchase price; *provided, further*, that no insider will receive Bid Protections. Prior to giving Bid Protections to the Stalking Horse Bidder, the Debtors shall consult with the Office of the United States Trustee for the Southern District of Texas, as well as counsel for an official committee of

unsecured creditors should one be appointed in these chapter 11 cases, one (1) day prior to providing Bid Protections pursuant to this Order.

12. No person or entity, other than the Stalking Horse Bidder (if any), is entitled to Expense Reimbursement or a Work Fee or to a Breakup Fee, in each case as determined by the Debtors in their business judgment, shall be entitled to any expense reimbursement, breakup fees, "topping," termination, or other similar fee or payment, and by submitting a Bid, such person or entity is deemed to have waived their right to request or to file with this Court any request for expense reimbursement or any fee of any nature, whether by virtue of Bankruptcy Code section 503(b) or otherwise.

III. Assumption and Assignment Procedures.

13. No later than fourteen (14) days prior to the Sale Hearing, the Debtors shall file with the Court the Assumption and Assignment Notice attached as Exhibit C to the Order, which shall set forth, among other things: (i) the Contract or Contracts to be assumed; (ii) the names and addresses of the counterparties to such Contracts; (iii) the Assignee, if applicable; (iv) the Assumption Date; (v) the proposed Cure Costs, if any for each such Contract; (vi) a description of any material amendments to the Contract made outside of the ordinary course of business; and (vii) the deadlines and procedures for filing objections to the Assumption and Assignment Notice.

14. The Debtors will cause the Assumption and Assignment Notice to be served (i) by overnight delivery service upon the Contract counterparties affected by the Assumption and Assignment Notice at the address set forth in the notice provision of the applicable Contract (and their counsel, if known) and (ii) by first class mail, email, or fax upon the Notice Parties. To the extent the Debtors seek to assume and assign a lease of non-residential real property, the Debtors will, at the request of the applicable lease counterparty, use commercially reasonable efforts to provide evidence thereof to such applicable lease counterparty (and their counsel, if known)

thereby demonstrating that the assignee of the lease has the ability to comply with the requirements of adequate assurance of future performance.

15. Parties seeking to object must file an Assumption Objection so that such Assumption Objection is filed with the Court and **actually received four (4) days prior to the Sale Hearing** and served on the Notice Parties. If no objection to the assumption of any Contract is timely filed, each Contract shall be assumed as of the Assumption Date set forth in the applicable Assumption and Assignment Procedures or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree, and the proposed cure amount shall be binding on all counterparties to such Contract and no amount in excess thereof shall be paid for cure purposes; *provided, however,* that the Assumption Date for a lease of nonresidential real property shall not occur earlier than the date the Debtors filed and served the applicable Assumption and Assignment Notice.

16. If the Assumed Contract Counterparty does not file and serve an Assumption Objection or supplemental Assumption Objection in a manner that is consistent with the requirements set forth herein, and absent a subsequent order of the Court in connection with such objection establishing an alternative Cure Cost, (a) the Cure Costs, if any, set forth in the Notice of Assumption and Assignment shall be controlling, notwithstanding anything to the contrary in any Assumed Contract or any other document, and (b) the Assumed Contract Counterparty will be deemed to have consented to the assumption and assignment of the Assumed Contract and the Cure Costs, if any, and will be forever barred from asserting any other claims related to such Assumed Contract against the Debtors or the Winning Bidder, or the property of any of them.

17. The inclusion of an Assumed Contract on the Notice of Assumption and Assignment will not: (a) obligate the Debtors to assume any Assumed Contract listed thereon or

the Winning Bidder to take assignment of such Assumed Contract; or (b) constitute any admission or agreement of the Debtors that such Assumed Contract is an executory contract. Only those Assumed Contracts that are included on a schedule of assumed and acquired contracts attached to a final asset purchase agreement with a Winning Bidder (including amendments or modifications to such schedules in accordance with such asset purchase agreement) will be assumed and assigned to the applicable Winning Bidder. No Assumed Contract shall be assumed absent closing on the assignment thereof to the applicable Winning Bidder.

18. With regard to Contracts to be assigned, pursuant to section 363(b) of the Bankruptcy Code, the assignment of any Contract shall: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights) and (ii) any and all claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guarantees of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, claims, and encumbrances that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s) (but only in connection with the assignment by the Debtor to the Assignee)), and (b) constitutes a legal, valid, and effective transfer of such Contract(s) and vests the applicable Assignee with all rights, titles, and interests to the applicable Contract(s). For the avoidance of doubt, all provisions of the applicable assigned Contract, including any provision limiting future assignment, shall be binding on the applicable Assignee after consummation of the assignment of such Contract by the Debtors to the Assignee.

IV. Miscellaneous.

19. The failure to include or reference a particular provision of the Bidding Procedures specifically in this Order shall not diminish or impair the effectiveness or enforceability of such a provision.

20. For the avoidance of doubt, (a) any assumption and assignment of any executory contract or unexpired lease in connection with the Sale of the Cementing Business shall be consummated pursuant to a separate motion filed by the Debtors, the order approving the Transaction, any plan, or separate procedures governing the assumption and assignment of executory contracts and unexpired leases approved by this Court, and (b) any such assumption and assignment must comply with applicable bankruptcy law, including with respect to any requirement regarding adequate assurance of future performance.

21. In the event of any inconsistencies between this Order and the Motion and/or the Bidding Procedures, this Order shall govern in all respects.

22. Notwithstanding anything else contained herein, (a) any relief granted herein, including any payment to be made or authorization contained hereunder, shall be subject in all respects to the terms and conditions of, including all requirements imposed upon the Debtors under, any interim or final order of the Court in these chapter 11 cases authorizing the use of cash collateral (as may be modified, amended, or supplemented, the "Cash Collateral Orders") (including, without limitation, the budget required in connection therewith) and the Prepetition ABL Loan Documents (as defined in the Cash Collateral Orders) approved therein and (b) to the extent there is any inconsistency between the terms and conditions of such Cash Collateral Orders or Prepetition ABL Loan Documents and any action taken or proposed to be taken hereunder, the terms and conditions of such Cash Collateral Orders shall govern.

23. Notice of the Motion satisfies the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

24. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

25. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

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

Houston, Texas
Dated: _____, 2020

HON. MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Bidding Procedures

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Joint Administration Requested)
	)	(Emergency Hearing Requested)

BIDDING PROCEDURES FOR THE SALE OF THE DEBTORS' CEMENTING BUSINESS

On July 20, 2020, BJ Services, LLC and certain of its subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq*. (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Court"). On July 21, 2020, the Debtors filed the *Debtors' Emergency Motion for Entry of an Order (I) Establishing Bidding Procedures for the Sale of the Cementing Business, (II) Scheduling Bid Deadlines and an Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Motion"), seeking approval of, among other things, the procedures to determine the highest or otherwise best offer for the sale of the Debtors' cementing services business (the "Cementing Business"), through a section 363 sale process (any such transactions, a "Transaction").[2]

On July [●], 2020, the Bankruptcy Court entered an *Order (I) Establishing Bidding Procedures for the Sale of the Cementing Business, (II) Scheduling Bid Deadlines and an Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Order," and the procedures contemplated herein, the "Bidding Procedures"). Pursuant to the Bidding Procedures, the Debtors are authorized to select the Stalking Horse Bidder (as defined below) and after announcing the Stalking Horse Bidder, if any, solicit further Bids (as defined below) culminating in an auction intended to obtain a higher or otherwise better Bid for the Transaction (the "Auction").

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1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

2 The Transaction may be structured as an asset sale, equity sale, plan of reorganization, or otherwise, as determined by the Debtors in consultation with the Winning Bidder (as defined below).

Key Dates

The key dates for the Sale are as follows. Such dates may be extended or otherwise modified by the Debtors.

Date	Event
Deadline to Receive Stalking Horse Bids	August 5, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Stalking Horse Bidder (if any)	August 12, 2020, at 4:00 p.m. (prevailing Central Time)
Bid Deadline	August 26, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Qualified Bidders	Within three business days after the Bid Deadline
Auction (if applicable)	No later than September 2, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Sale Hearing	No later than September 8, 2020

Marketing Process

I. Contact Parties.

The Debtors, in consultation with their investment banker, Simmons Energy, a division of Piper Sandler & Co. ("Simmons"), developed a list of parties whom they believe may be interested in, and whom the Debtors reasonably believe would have the financial resources to consummate, a Transaction (collectively, the "Contact Parties"). Simmons has already started to reach out to the Contact Parties to explore their interest in pursuing a Transaction and will continue to reach out to other Contact Parties to gauge their interest. The Contact Parties may include parties whom the Debtors or their advisors previously contacted regarding a Transaction, regardless of whether such parties expressed interest in pursuing a Transaction at the time. The Debtors and Simmons will continue to update and supplement the list of Contact Parties throughout the marketing process, as appropriate.

The Debtors may distribute (to the extent not already distributed) to each Contact Party and any other interested party or potential bidder an "Information Package" consisting of: (i) a copy of the Bidding Procedures, the Bidding Procedures Order, and the Bidding Procedures

Motion; (ii) a form confidentiality agreement (a "Confidentiality Agreement"); and (iii) such other materials as appropriate under the circumstances.

II. Participation Requirements.

To receive due diligence information, including full access to the Debtors' electronic data room and to additional non-public information regarding the Debtors, a party interested in consummating the Transaction (each, a "Potential Bidder") must deliver to Simmons, the following documents (the "Preliminary Bid Documents"):

(a) an executed Confidentiality Agreement on terms reasonably acceptable to the Debtors, to the extent not already executed; and

(b) proof or other documentation acceptable to the Debtors, after consultation with the Consultation Parties (as defined below), of the Potential Bidder's financial capacity (i) to close a proposed Transaction, which may include financial statements of, or verified financial commitments obtained by, the Potential Bidder (or, if the Potential Bidder is an entity formed for the purpose of consummating the Transaction, the party that will bear liability for a breach), the adequacy of which will be assessed by the Debtors (with the assistance of their advisors), and (ii) to provide adequate assurance of future performance under any executory contracts and unexpired leases to be assumed by the Debtors and assigned to such Potential Bidder, pursuant to section 365 of the Bankruptcy Code, in connection with the Transaction.

Except as otherwise determined in the Debtors' business judgment, only those Potential Bidders that have submitted acceptable Preliminary Bid Documents (each, an "Acceptable Bidder") may submit bids. Promptly after a Potential Bidder delivers Preliminary Bid Documents, the Debtors will determine and notify the Potential Bidder whether such Potential Bidder has submitted acceptable Preliminary Bid Documents so that the Potential Bidder may proceed to conduct due diligence and ultimately submit a Bid (as defined below) to be the Stalking Horse Bidder (each as defined below) and participate in the Auction, as applicable, and will provide copies of any such notices to the Notice Parties.

Beginning on or as soon as is reasonably practicable after the Debtors determine that a Potential Bidder is an Acceptable Bidder, the Debtors will provide such Acceptable Bidder with access to an electronic data room and reasonable due diligence information, as requested by such Acceptable Bidder, as soon as reasonably practicable after such request, and the Debtors shall post substantially all written due diligence provided to any Acceptable Bidder to the Debtors' electronic data room.

The Debtors and their advisors will coordinate all reasonable requests from Acceptable Bidders for additional information and due diligence access; *provided* that the Debtors may decline to provide such information to Acceptable Bidders who, at such time and in the Debtors' business judgment, after consultation with the Consultation Parties, have not established, or who have raised

doubt, that such Acceptable Bidder intends in good faith to, or has the capacity to, consummate the Transaction.

Each Acceptable Bidder shall comply with all reasonable requests for additional information and due diligence access by the Debtors, the official committee of unsecured creditors (the "Committee"), if any, or their respective advisors regarding such Acceptable Bidder and its contemplated Transaction.

Stalking Horse Bidding Process

Under the Stalking Horse Bidding Process, Acceptable Bidders will prepare and submit definitive documentation, and the Debtors and certain selected Acceptable Bidders will continue to negotiate the terms of such definitive documentation. At the conclusion of this process, the Debtors may, in an exercise of their business judgment, select the Acceptable Bidder with the highest or otherwise best Bid to serve as the stalking horse bidder (the "Stalking Horse Bidder") in connection with the Auction.

A. Stalking Horse Bid Deadline.

Acceptable Bidders that wish to be selected as the Stalking Horse Bidder must meet the Bid Requirements (defined below) and submit a substantially final version of the Form APA (collectively, the "Stalking Horse Bid Documentation") to Simmons so that it is **actually received** no later than **4:00 p.m. (prevailing Central Time) on August 5, 2020** (the "Stalking Horse Bid Deadline"). The Debtors may engage in further negotiation with each of the Acceptable Bidders regarding the Bid Documentation following the Stalking Horse Bid Deadline. The Bid Documentation should be submitted both as an executed PDF and in Word version, along with a marked version of all Bid Documentation against the form provided by the Debtors.

As soon as reasonably practicable after the Stalking Horse Bid Deadline, the Debtors will evaluate the Stalking Horse Bid Documentation submitted by each Acceptable Bidder and may engage in additional negotiations to finalize such Stalking Horse Bid Documentation with one or more Acceptable Bidders in their sole discretion. The Debtors attach considerable importance to the terms and conditions set forth in the draft Transaction Documents (as defined below) and the nature and extent of any revisions thereto will be an important consideration in the evaluation of Bids (as defined below).

B. Selection of Stalking Horse Bidder and Bid Protections.

Upon entry of the Bidding Procedures Order, the Debtors shall be authorized, but not obligated, in an exercise of their business judgment, after consultation with the Consultation Parties, to (a) select no more than one Acceptable Bidder to act as the Stalking Horse Bidder (defined below) in connection with the Auction and (b) in connection with the Stalking Horse Agreement (as defined below) with the Stalking Horse Bidder (i) provide a breakup fee (the "Breakup Fee"), (ii) agree to reimburse reasonable and documented out-of-pocket fees and expenses (the "Expense Reimbursement"), and/or (iii) agree to pay a "work fee" or other similar

cash fee (the "Work Fee," and together with the Breakup Fee and the Expense Reimbursement, the "Bid Protections"); *provided* that the aggregate amount of Bid Protections that may be paid to the Stalking Horse Bidder on account of foregoing subclauses (i)–(iii) shall not exceed three percent of the proposed Purchase Price (as defined below).[3]

C. Stalking Horse Notice.

If the Debtors execute a Stalking Horse purchase agreement with a Stalking Horse Bidder (the "Stalking Horse Agreement"), the Debtors will file a notice with the Court announcing such Stalking Horse Bidder (the "Stalking Horse Notice") no later than **4:00 p.m. (prevailing Central Time) on August 12, 2020**.

Process for Additional Qualified Bids and Auction

Following the selection of the Stalking Horse Bidder, if any, the Debtors will solicit further Bids intended to obtain a higher or otherwise best Bid for the Transaction.

A. Bid Deadline.

An Acceptable Bidder that desires to make a proposal, solicitation, or offer (each, a "Bid") shall transmit such proposal, solicitation, or offer via email (in .pdf or similar format) so as to be **actually received** on or before **August 26, 2020, at 4:00 p.m. (prevailing Central Time)** (the "Bid Deadline") to:

(i) Simmons Energy, a division of Piper Sandler & Co., 609 Main Street, Suite 3800 Houston, Texas 77002, Attn. Sanjiv Shah (sanjiv.shah@simmonspsc.com), Tim McEuen (tim.mceuen@simmonspsc.com), Steve Erzinger (steve.erzinger@simmonspsc.com), and Kirby Stockard (kirby.stockard@simmonspsc.com);

(ii) Kirkland & Ellis LLP, 601 Lexington Ave New York, New York 10022, Attn: Joshua A. Sussberg (jsussberg@kirkland.com) and Christopher T. Greco (cgreco@kirkland.com), and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha Lawrence (samantha.lawrence@kirkland.com) and Josh M. Altman (josh.altman@kirkland.com); and

(iii) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn: Jason S. Brookner (jbrookner@grayreed.com), Paul D. Moak (pmoak@grayreed.com), and Amber M. Carson (acarson@grayreed.com).

[3] Prior to giving Bid Protections to the Stalking Horse Bidder, the Debtors shall consult with the Office of the United States Trustee for the Southern District of Texas, as well as counsel for an official committee of unsecured creditors should one be appointed in these chapter 11 cases, one (1) day prior to providing Bid Protections pursuant to this Order.

B. Bid Requirements.

Each Bid by an Acceptable Bidder must be submitted in writing and satisfy the following requirements (collectively, the "Bid Requirements"):

(i) **Purpose**. Each Acceptable Bidder must state that the Bid is an offer by the Acceptable Bidder to purchase certain of the cementing Business and state which assets with specificity.

(ii) **Purchase Price**. Each Bid must clearly set forth the terms of any proposed Transaction, including and identifying separately any cash and non-cash components of the proposed Transaction consideration, including, for example, certain liabilities to be assumed by the Acceptable Bidder (the "Purchase Price").

(iii) **Deposit**. Each Bid must be accompanied by a cash deposit in the amount equal to 5% of the aggregate value of the proposed Purchase Price of the Bid to be held in a separate account for the benefit of the Debtors (the "Deposit").

(iv) **Marked Agreement**. Each Bid must include a marked version of (i) the Form APA, which is attached to the Bidding Procedures Order as Exhibit D, in each case, together with the exhibits and schedules related thereto and any related Transaction Documents or other material documents integral to such Bid, pursuant to which the Acceptable Bidder proposes to effectuate the Transaction (collectively, the "Transaction Documents"). Any modifications to the Transaction contemplated by the Form APA must be submitted both as an executed PDF and in Word version, along with a marked version of all Transaction Documents against the form provided by the Debtors.

(v) **Committed Financing**. To the extent that a Bid is not accompanied by evidence of the Acceptable Bidder's capacity to consummate the Transaction set forth in its Bid with cash on hand, each Bid must include committed financing documented to the Debtors' satisfaction after consultation with the Consultation Parties that demonstrates that the Acceptable Bidder has received sufficient debt and/or equity funding commitments to satisfy the Acceptable Bidder's Purchase Price and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals.

(vi) **Contingencies; No Financing or Diligence Outs**. A Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence.

(vii) **Binding and Irrevocable**. An Acceptable Bidder's Bid must be irrevocable unless and until the Debtors accept a higher Bid and such Acceptable Bidder is not selected as the Backup Bidder (as defined below).

(viii) **Identity**. Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Acceptable Bidder if such Acceptable Bidder is an entity formed for the purpose of consummating the proposed Transaction contemplated by such Bid), and the complete terms of any such participation. Each Bid should also include contact information for the specific person(s), counsel, and other advisor whom Simmons and Kirkland & Ellis LLP should contact regarding such Bid.

(ix) **Adequate Assurance Information**. Each Bid must be accompanied by sufficient and adequate financial and other information to demonstrate, to the satisfaction of the Debtors, that such Acceptable Bidder (a) has the financial wherewithal and ability to consummate the Transaction designated in the applicable purchase agreement, and (b) can provide adequate assurance of future performance in connection the Transaction.

(x) **Authorization**. Each Bid must contain evidence acceptable to the Debtors that the Acceptable Bidder has obtained authorization or approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid, execution, and delivery of the Transaction Documents, and the consummation of the Transaction contemplated in such Bid.

(xi) **No Fees**. Each Acceptable Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed Transaction, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code; provided that the Debtors are authorized in their discretion to provide the Bid Protections to the Stalking Horse Bidder in accordance with these Bidding Procedures.

(xii) **Time Frame for Closing**. A Bid by an Acceptable Bidder must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors.

(xiii) **Adherence to Bidding Procedures**. By submitting its Bid, each Acceptable Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.

C. Minimum Value.

If the Debtors have filed the Stalking Horse Notice, in addition to the Bid Requirements set forth above, the Bid must provide for a Purchase Price equal to: (a) the Purchase Price set forth in the Stalking Horse Bid, plus (b) the Overbid Increment (as defined below), plus (c) the Breakup

Fee, if any (provided that such Breakup Fee must be paid in cash), plus (d) any other amounts payable under the Stalking Horse Bid to the Stalking Horse Bidder (the "Minimum Value").

D. Designation of Qualified Bidders.

A Bid will be considered a "Qualified Bid," and each Acceptable Bidder that submits a Qualified Bid will be considered a "Qualified Bidder," if the Debtors, after consultation with the Consultation Parties, determine that such Bid:

(i) satisfies the Bid Requirements set forth above;

(ii) provides a Purchase Price that exceeds the Minimum Value; and

(iii) is reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors and the Committee.

Within three business days after the Bid Deadline, the Debtors will notify each Qualified Bidder whether such party is a Qualified Bidder and shall provide the Notice Parties a copy of each Qualified Bid.

If any Bid is determined by the Debtors not to be a Qualified Bid, the Acceptable Bidder shall be notified by the Debtors, and shall have until **August 29, 2020 at 4:00 p.m. (prevailing Central Time)**, to modify its Bid to increase the Purchase Price or otherwise improve the terms of the Bid for the Debtors; *provided* that any Qualified Bid may be improved at the Auction as set forth herein. If no Qualified Bid is received from an Acceptable Bidder pursuant to this paragraph, the Debtors will refund such Acceptable Bidder's Deposit on the date that is three business days after the Bid Deadline.

Between the date the Debtors notify an Acceptable Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their Purchase Price, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; and *in addition*, any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

Notwithstanding anything herein to the contrary, the Debtors reserve the right to work with (a) Potential Bidders and Acceptable Bidders to aggregate two or more Bids into a single consolidated Bid or (b) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction. The Debtors reserve the right to cooperate with any Acceptable Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtors may accept a single Qualified Bid or multiple Bids that, if taken

together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple bidders shall be treated as a single Qualified Bidder for purposes of the Auction).

E. Right to Credit Bid.

Any Qualified Bidder who has a valid and perfected lien on any assets of the Debtors' estates (a "Secured Creditor") shall have the right to credit bid all or a portion of the value of such Secured Creditor's claims within the meaning of section 363(k) of the Bankruptcy Code; *provided* that a Secured Creditor shall have the right to credit bid its claim only with respect to the collateral by which such Secured Creditor is secured.

F. No Qualified Bids.

If the Debtors have received no Qualified Bids other than a Stalking Horse Bid as of the Bid Deadline, then the Auction will not occur and such Qualified Bid, if any, will be deemed the Winning Bid (as defined below). The Debtors reserve all rights to extend the Bid Deadline to such later date that the Debtors believe is necessary, in their sole discretion, to obtain additional Qualified Bids.

G. The Auction.

If the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Bid, the Debtors will conduct the Auction to determine the Winning Bidder with respect to the Transaction.

Prior to the Auction, the Debtors and their advisors will notify all Qualified Bidders of the highest or otherwise best Qualified Bid, as determined in the Debtors' business judgment (the "Baseline Bid"), and provide copies of the documents supporting the Baseline Bid to all Qualified Bidders, the Committee, if any, and the Notice Parties. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Winning Bid shall take into account any factors the Debtors, after consultation with the Consultation Parties, reasonably deem relevant to the value of the Qualified Bid to the Debtors' estates, including, among other things: (a) the number, type, and nature of any changes to the Form APA requested by the Qualified Bidder; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close the Transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtors' estates from the Transaction contemplated by the Baseline Bid; (e) the tax consequences of such Qualified Bid; and (f) impact to vendors, landlords, and employees (collectively, the "Bid Assessment Criteria").

The Auction shall take place at no later than **11:59 p.m. (prevailing Central Time) on September 2, 2020**, either by remote video or at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, as will be indicated in the Auction Notice or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties; *provided, however,* that the Auction shall not be continued more than three

days without the consent of the Consultation Parties. The Auction shall be conducted in a timely fashion according to the following procedures:

(i) The Debtors and their professionals shall direct and preside over the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid. All incremental Bids made thereafter shall be Overbids (as defined below) and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids, and the Winning Bid.

(ii) Only Qualified Bidders (including the Stalking Horse Bidder), the Debtors, the Consultation Parties, and each of their respective legal and financial advisors, and any other parties specifically invited or permitted to attend by the Debtors, shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Except as otherwise permitted by the Debtors, only Qualified Bidders shall be entitled to bid at the Auction.

(iii) **Terms of Overbids**. "Overbid" means any Bid made at the Auction by a Qualified Bidder subsequent to the Debtors' announcement of the Baseline Bid. Each Overbid must comply with the following conditions:

(a) Minimum Overbid Increment. Any Overbid following a Baseline Bid or following any subsequent Prevailing Highest Bid (as defined below) shall be in increments of value equal to $150,000, unless otherwise determined by the Debtors in an exercise of their business judgment (the "Overbid Increment").

(b) Conclusion of Each Overbid Round. Upon the solicitation of each round of Overbids, the Debtors may announce a deadline (as the Debtors may, in their business judgment, extend from time to time, the "Overbid Round Deadline") by which time any Overbids must be submitted to the Debtors.

(c) Overbid Alterations. An Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtors' estates than any prior Qualified Bid or Overbid, as determined in the Debtors' business judgment after consultation with the Consultation Parties, but shall otherwise comply with the terms of these Bidding Procedures.

(d) Announcing Highest Bid. Subsequent to each Overbid Round Deadline, the Debtors shall announce whether the Debtors have identified an Overbid as being higher or otherwise better than the Baseline Bid, in the initial Overbid Round, or, in subsequent rounds, the Overbid previously designated by the

Debtors as the prevailing highest or otherwise best Bid (the "Prevailing Highest Bid"). The Debtors shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtors as the Prevailing Highest Bid, as well as the value attributable by the Debtors to such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria.

(iv) **Consideration of Overbids**. The Debtors reserve the right, in their business judgment, after consultation with the Consultation Parties, to adjourn the Auction one or more times, to, among other things (i) facilitate discussions between the Debtors and Potential Bidders, (ii) allow Qualified Bidders to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their business judgment, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed Transaction at the prevailing Overbid amount.

(v) **Closing the Auction**. The Auction shall continue until there is only one Qualified Bid that the Debtors determine, in their business judgment, after consultation with the Consultation Parties, to be the highest or otherwise best Qualified Bid. Such Qualified Bid shall be declared the winning bid (the "Winning Bid") and such Qualified Bidder, the winning bidder (the "Winning Bidder"), at which point the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid. Such acceptance by the Debtors of the Winning Bid is conditioned upon approval by the Court of the Winning Bid. For the avoidance of doubt, nothing in these Bidding Procedures shall prevent the Debtors from exercising their respective fiduciary duties under applicable law. As soon as reasonably practicable after closing the Auction, the Debtors shall finalize definitive documentation to implement the terms of the Winning Bid, and, as applicable, cause such definitive documentation to be filed with the Court.

(vi) **No Collusion; Good-Faith *Bona Fide* Offer**. Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (i) it has not engaged in any collusion with respect to the bidding and (ii) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Transaction if selected as the Winning Bidder.

H. Backup Bidder.

(i) Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid at the Auction, as determined by the Debtors in the exercise of their business judgment, after consultation with the Consultation Parties, shall be required to serve as a backup bidder (the "Backup Bidder") until such time that the Transaction is consummated upon entry of an order approving

the Sale under section 363 of the Bankruptcy Code, and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated by the Debtors.

(ii) The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtors, at the conclusion of the Auction at the same time the Debtors announce the identity of the Winning Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until such time that the Transaction is consummated upon entry of an order approving the Transaction under section 363 of the Bankruptcy Code. The Backup Bidder's Deposit shall be held in a separate account pending approval of the Transaction by court order.

(iii) If the Winning Bidder fails to consummate the approved Transaction contemplated by its Winning Bid, the Debtors may select the Backup Bidder as the Winning Bidder, and such Backup Bidder shall be deemed a Winning Bidder for all purposes. The Debtors will be authorized, but not required, to consummate the Transaction contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Winning Bidder's Deposit shall be forfeited to the Debtors' estates, and the Debtors, on behalf of themselves and their estates, specifically reserve the right to seek all available remedies against the defaulting Winning Bidder, including, but not limited to, specific performance.

I. Notice and Consultation Parties.

Information must be provided to the following under these Bidding Procedures (the "Notice Parties"): (a) counsel to JPMorgan Chase Bank, N.A., in its capacity as agent under the Debtors' prepetition ABL credit agreement (the "Prepetition ABL Agent"); (b) counsel to GACP Finance Co., LLC, in its capacity as agent under the Debtors' prepetition equipment term loan (the "Prepetition Equipment Term Loan Agent"); (c) counsel to CLMG Corp., in its capacity as agent under the Debtors' prepetition real estate term loan (the "Prepetition Real Estate Term Loan Agent" and together with the Prepetition ABL Agent and Prepetition Term Loan Agent, the "Agents"); (d) counsel to the Committee; and (e) the United States Trustee for the Southern District of Texas.

The term "Consultation Parties" as used in these Bidding Procedures shall mean: (a) counsel to Prepetition ABL Agent, (b) counsel to Prepetition Equipment Term Loan Agent, (c) counsel to Prepetition Real Estate Term Loan Agent, and (d) counsel to any Committee, if any. To the extent that any Consultation Party submits a Bid, it shall no longer be a Consultation Party unless and until it (i) withdraws such Bid, (ii) does not thereafter become a Qualified Bidder, or (iii) becomes a Qualified Bidder but elects to not participate in, to cease bidding at, or to withdraw from the Auction.

J. "As Is, Where Is."

Consummation of any Transaction will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtors or their estates, except as specifically accepted or agreed to by the Debtors. Except as specifically accepted or agreed to by the Debtors, all of the Debtors' right, title, and interest in and to the Cementing Business will be transferred to the Winning Bidder free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests in accordance with section 363(b) of the Bankruptcy Code.

By submitting a Bid, each Acceptable Bidder will be deemed to acknowledge and represent that it (i) has had an opportunity to conduct adequate due diligence regarding the Transaction prior to making its Bid, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Transaction or the completeness of any information provided in connection therewith or the Auction, except the representations and warranties as expressly stated in the Acceptable Bidder's Transaction Documents; and (iv) the Acceptable Bidder did not engage in any collusive conduct and acted in good faith in submitting its Bid.

K. Reservation of Rights.

The Debtors reserve their rights to modify these Bidding Procedures in their business judgment, in consultation with the Consultation Parties, in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on the Transaction, including: (a) extending the deadlines set forth in these Bidding Procedures; (b) adjourning the Auction at the Auction; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) canceling the Auction; and (e) rejecting any or all Bids or Qualified Bids. Nothing in these Bidding Procedures shall abrogate the fiduciary duties of the Debtors. Notwithstanding anything to the contrary herein, the Debtors, in consultation with the Consultation Parties, may elect to consummate the Transaction through a chapter 11 plan as opposed to under section 363(b) of the Bankruptcy Code.

L. Consent to Jurisdiction.

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of these Bidding Procedures.

M. Approval of Winning Bid Hearing.

A hearing to consider the Transaction under section 363 of the Bankruptcy Code (the "Sale Hearing") pursuant to which the Debtors and the Winning Bidder intend to consummate the

Transaction contemplated by the Winning Bid will be held **no later than September 8, 2020** and otherwise in accordance with any scheduling order entered by the Court.

The Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Hearing. No further notice of any such continuance will be required to be provided to any party.

N. Return of Deposit.

The Deposit of the Winning Bidder shall be applied to the Purchase Price of such Transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more separate accounts on terms acceptable to the Debtors and shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) on the date that is three business days after the Auction.

If a Winning Bidder fails to consummate a proposed Transaction because of a breach by such Winning Bidder, the Debtors will not have any obligation to return the Deposit deposited by such Winning Bidder, which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors and their estates, and the Debtors shall be free to consummate the proposed Transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

O. No Modification of Bidding Procedures.

These Bidding Procedures may not be modified except in accordance with Section K of these Bidding Procedures

EXHIBIT B

Auction and Sale Notice

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF AUCTION AND SALE HEARING

PLEASE TAKE NOTICE that on July 21, 2020, the above-captioned debtors and debtors in possession (the "Debtors") filed the *Debtors' Emergency Motion for Entry of an Order (I) Establishing Bidding Procedures for the Sale of the Cementing Business, (II) Scheduling Bid Deadlines and an Auction, (III) Approving the Form and Manner of Notice Thereof (IV) Approving Contract Assumption and Assignment Procedures, and (VI) Granting Related Relief* (the "Bidding Procedures Motion") with the United States Bankruptcy Court for the Southern District of Texas (the "Court") seeking, among other things, entry of an order (the "Bidding Procedures Order") authorizing and approving the bidding procedures (the "Bidding Procedures") for the sale of the Debtors cementing services business (the "Cementing Business") (the "Transaction" or "Sale"); (b) establishing certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any; (c) approving the form and manner of notice of the Auction, if any, and the Winning Bidder (as defined below); (d) approving procedures for the assumption and assignment of certain executory contracts (the "Contracts") and unexpired leases and the resolution of the related cure amounts (the "Assumption and Assignment Procedures"); and (e) granting related relief. Please note that all capitalized terms used but not defined herein shall have the meanings set forth in the Bidding Procedures Motion.

PLEASE TAKE FURTHER NOTICE that the Debtors are soliciting offers for the purchase of the Cementing Business consistent with the Bidding Procedures approved by the Court by entry of an order on July [●], 2020 [Docket No. [●]] (the "Bidding Procedures Order"). **All interested bidders should carefully read the Bidding Procedures and Bidding Procedures Order.** To the extent that there are any inconsistencies between this notice and the Bidding Procedures or Bidding Procedures Order, the Bidding Procedures or Bidding Procedures Order, as applicable, shall govern in all respects.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

PLEASE TAKE FURTHER NOTICE that the Debtors will seek approval of the Sale at a hearing scheduled to commence **no later than September 8, 2020** (the "Sale Hearing") before the Honorable Judge Marvin Isgur, United States Bankruptcy Judge for the Bankruptcy Court for the Southern District of Texas, at 515 Rusk Street, 4th Floor, Courtroom No. 404, Houston, Texas 77002.

PLEASE TAKE FURTHER NOTICE that, except as otherwise set forth in the Bidding Procedures Order with respect to any objections to proposed cure amounts or the assumption and assignment of Contracts and/or objections to the relief requested in the Sale Motion ***must***: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be ***actually received*** **on or before the Sale Hearing** by the following parties (the "Notice Parties"):

Counsel to the Debtors	**Co-Counsel to the Debtors**
Kirkland & Ellis LLP 601 Lexington Avenue New York, New York 10022 Attn: Joshua Sussberg and Christopher T. Greco Email: jsussberg@kirkland.com cgreco@kirkland.com and Kirkland & Ellis LLP 300 North LaSalle Chicago Illinois 60654 Attn: Samantha G. Lawrence and Josh Altman Email: samantha.lawrence@kirkland.com josh.altman@kirkland.com	Gray Reed & McGraw LLP 1300 Post Oak Boulevard, Suite 2000 Houston, Texas 77056 Attn: Jason S. Brookner, Paul D. Moak, and Amber M. Carson Email: jbrookner@grayreed.com pmoak@grayreed.com acarson@grayreed.com
Proposed Counsel to the Committee	**The United States Trustee**
	Office of the United States Trustee Southern District of Texas 15 Rusk Street, Suite 3516 Houston, Texas 77002 Attn: Hector Duran and Stephen Statham Email: hector.duran.jr.@usdoj.gov stephen.statham@usdoj.gov

Counsel to the Prepetition ABL Agent	**Counsel to the Prepetition Equipment Term Loan Agent**
Sidley Austin LLP One South Dearborn Chicago, Illinois 60603 Attn: Dennis Twomey, Herschel Hamner, and Alyssa Russell Email: dtwomey@sidley.com hhamner@sidley.com alyssa.russell@sidley.com and DLA Piper LLP 1201 North Market Street, Suite 2100 Wilmington, Delaware 19801 Attn: Stuart Brown Email: stuart.brown@dlapiper.com	Choate, Hall & Stewart LLP 2 International Place Boston, Massachusetts 02110 Attn: John Ventola Email : jventola@choate.com
Counsel to the Real Estate Term Loan Lenders	
Sheppard, Mullin, Richter & Hampton LLP 70 West Madison Street, 48th Floor Chicago, Illinois 60602 Attn: Justin Bernbrock Email: jbernbrock@sheppardmullin.com	

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE.

Important Dates and Deadlines

Date	Event
Deadline to Receive Stalking Horse Bids	August 5, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Stalking Horse Bidder (if any)	August 12, 2020, at 4:00 p.m. (prevailing Central Time)
Bid Deadline	August 26, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Qualified Bidders	Within three business days after the Bid Deadline
Auction (if applicable)	No later than September 2, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Sale Hearing	No later than September 8, 2020

PLEASE TAKE FURTHER NOTICE that copies of the Bidding Procedures Motion, Bidding Procedures, and Bidding Procedures Order, as well as all related exhibits are available: (a) free of charge upon request to Donlin, Recano & Company Inc. (the notice and claims agent in these chapter 11 cases), by visiting the website maintained in these chapter 11 cases at www.donlinrecano.com/bjs, or (c) for a fee via PACER by visiting http://www.txs.uscourts.gov.

PLEASE TAKE FURTHER NOTICE that you may obtain additional information concerning the above-captioned chapter 11 cases at the website maintained in these chapter 11 cases at www.donlinrecano.com/bjs.

Houston, Texas
July [●], 2020

/s/ Draft

GRAY REED & McGRAW LLP
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Paul D. Moak (TX Bar No. 00794316)
Amber M. Carson (TX Bar No. 24075610)
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KIRKLAND & ELLIS INTERNATIONAL LLP
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cgreco@kirkland.com

-and-

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Joshua M. Altman (*pro hac vice* pending)
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josh.altman@kirkland.com

Proposed Co-Counsel to the Debtors and Debtors in Possession

EXHIBIT C

Assumption and Assignment Notice

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the "Debtors")[2] each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Texas (the "Court") on July 20, 2020.

PLEASE TAKE FURTHER NOTICE that on [●], 2020, the Court entered an order [Docket No. [●]] (the "Bidding Procedures Order") approving, among other things, (a) the Debtors' Bidding Procedures in connection with any proposed auction (the "Auction") for the sale(s) (any such transaction, a "Transaction" or the a "Sale") of the Debtors' cementing services business (the "Cementing Business"), (b) establishing certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any, (c) approving the form and manner of notice of the Auction, if any, and the Winning Bidder, (d) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases and the resolution of related cure amounts (the "Assumption and Assignment Procedures"), and (e) granting related relief.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Assumption and Assignment Procedures and by this written notice, the Debtors hereby notify you that they have determined, in the exercise of their business judgment, that the Contracts and any modifications thereto set forth on **Exhibit I** attached hereto (collectively, the "Assumed Contracts") shall be assumed and assigned to the Assignee, subject to the Assignee's payment of the cure amounts set forth on **Exhibit I**, or such other cure amounts that are agreed to by the parties.

PLEASE TAKE FURTHER NOTICE that nothing herein (i) alters in any way the prepetition nature of the Assumed Contracts or the validity, priority, or amount of any claims of a counterparty to any Assumed Contract against the Debtors that may arise under such Assumed

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not yet defined herein have the meanings ascribed to such terms later in this Motion or in the First Day Declaration, as applicable.

Contract, (ii) creates a postpetition contract or agreement, or (iii) elevates to administrative expense priority any claims of a counterparty to any Assumed Contract against the Debtors that may arise under such Assumed Contract.

PLEASE TAKE FURTHER NOTICE that the inclusion of an Assumed Contract on the Notice of Assumption and Assignment will not: (a) obligate the Debtors to assume any Assumed Contract listed thereon or the Winning Bidder to take assignment of such Assumed Contract; or (b) constitute any admission or agreement of the Debtors that such Assumed Contract is an executory contract. Only those Assigned Contracts that are included on a schedule of assumed and acquired contracts attached to a final asset purchase agreement with a Winning Bidder (including amendments or modifications to such schedules in accordance with such asset purchase agreement) will be assumed and assigned to the applicable Winning Bidder.

PLEASE TAKE FURTHER NOTICE that any Contract assumed pursuant to section 363(f) of the Bankruptcy Code shall: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights) and (ii) any and all claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guarantees of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, claims, and encumbrances that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s) (but only in connection with the assignment by the Debtor to the Assignee)), and (b) constitutes a legal, valid, and effective transfer of such Contract(s) and vests the applicable Assignee with all rights, titles, and interests to the applicable Contract(s). For the avoidance of doubt, all provisions of the applicable Assumed Contract, including any provision limiting future assignment, shall be binding on the applicable Assignee after consummation of the assignment of such Contract by the Debtors to the Assignee.

Obtaining Additional Information

Copies of the Bidding Procedures Order, the Bidding Procedures, the Plan, and all pleadings filed in these chapter 11 cases are available upon request to Donlin, Recano & Company, Inc., the Debtors' notice and claims agent, by calling (877) 274-7653 (Domestic) or (212) 771-1128 (International), or by visiting the case website at http://www.donlinrecano.com/bjs.

Important Dates and Deadlines

1. Parties objecting to a proposed assumption and assignment and/or to a Winning Bidder's proposed form of adequate assurance of future performance must file a written objection (each, an "Assumption Objection") so that such Assumption Objection is filed with the Court and **actually received four (4) days prior to the Sale Hearing and served on the Notice Parties.**

2. A hearing to consider approval of the proposed Sale will be held no later than **September 8, 2020**, or such other date as determined by the Court.

Filing Assumption and Assignment Objections

Pursuant to the Assumption and Assignment Procedures, if no objection to the assumption of any Contract is timely filed, each Contract shall be assumed as of the Assumption Date set forth in the applicable Assumption and Assignment Procedures or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree, and the proposed cure amount shall be binding on all counterparties to such Contract and no amount in excess thereof shall be paid for cure purposes; provided, however, that the Assumption Date for a lease of nonresidential real property shall not occur earlier than the date the Debtors filed and served the applicable Assumption and Assignment Notice.

Any objections will be considered at the Sale Hearing, or as soon thereafter as counsel may be heard, and must be served on the following parties:

Counsel to the Debtors	**Co-Counsel to the Debtors**
Kirkland & Ellis LLP 601 Lexington Avenue New York, New York 10022 Attn: Joshua Sussberg and Christopher T. Greco Email: jsussberg@kirkland.com cgreco@kirkland.com and Kirkland & Ellis LLP 300 North LaSalle Chicago Illinois 60654 Attn: Samantha G. Lawrence and Josh Altman Email: samantha.lawrence@kirkland.com josh.altman@kirkland.com	Gray Reed & McGraw LLP 1300 Post Oak Boulevard, Suite 2000 Houston, Texas 77056 Attn: Jason S. Brookner, Paul D. Moak, and Amber M. Carson Email: jbrookner@grayreed.com pmoak@grayreed.com acarson@grayreed.com
Proposed Counsel to the Committee	**The United States Trustee**
	Office of the United States Trustee Southern District of Texas 15 Rusk Street, Suite 3516 Houston, Texas 77002 Attn: Hector Duran and Stephen Statham Email: hector.duran.jr.@usdoj.gov stephen.statham@usdoj.gov

Counsel to the Prepetition ABL Agent	**Counsel to the Prepetition Equipment Term Loan Agent**
Sidley Austin LLP One South Dearborn Chicago, Illinois 60603 Attn: Dennis Twomey, Herschel Hamner, and Alyssa Russell Email: dtwomey@sidley.com hhamner@sidley.com alyssa.russell@sidley.com and DLA Piper LLP 1201 North Market Street, Suite 2100 Wilmington, Delaware 19801 Attn: Stuart Brown Email: stuart.brown@dlapiper.com	Choate, Hall & Stewart LLP 2 International Place Boston, Massachusetts 02110 Attn: John Ventola Email: ventola@choate.com
Counsel to the Real Estate Term Loan Lenders	
Sheppard, Mullin, Richter & Hampton LLP 70 West Madison Street, 48th Floor Chicago, Illinois 60602 Attn: Justin Bernbrock Email: jbernbrock@sheppardmullin.com	

Consequences of Failing to Timely File and Serve an Objection

Any counterparty to an Assumed Contract who fails to timely file and serve an objection to the proposed assumption and assignment of an Assumed Contract in accordance with the Bidding Procedures Order and Assumption and Assignment Procedures incorporated therein shall be forever barred from asserting any objection to the assumption and assignment of the Assumed Contract and/or the cure payment set forth on Exhibit I, including asserting additional cure amounts with respect to an Assumed Contract relating to any period prior to the time of assumption and assignment.

[*Remainder of page left intentionally blank*]

Houston, Texas
July [●], 2020

/s/ Draft

GRAY REED & McGRAW LLP
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Paul D. Moak (TX Bar No. 00794316)
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-and-

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josh.altman@kirkland.com

Proposed Co-Counsel to the Debtors and Debtors in Possession

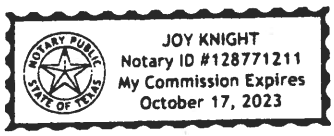
EXHIBIT D

[In order for the Debtors to best engage prospective purchasers,

Form APA is available upon request of Debtors' advisors.]

EXHIBIT 15

THIS IS **EXHIBIT "15"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

Case 20-33627 Document 203-1 Filed on 07/29/20 in TXSB Page 1 of 41

ENTERED
07/29/2020

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 39, 181**

ORDER (I) ESTABLISHING BIDDING PROCEDURES FOR THE SALE OF THE CEMENTING BUSINESS, (II) SCHEDULING BID DEADLINES AND AN AUCTION, (III) APPROVING THE FORM AND MANNER OF NOTICE THEREOF, (IV) APPROVING CONTRACT ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (V) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (the "Debtors"), for entry of an order (this "Order"): (a) authorizing and approving the Bidding Procedures for the Sale of the Cementing Business; (b) establishing certain dates and deadlines including, the Bid Deadline and the date of the Auction, if any, (c) approving the form and manner of the Auction, if any, and Winning Bidder, (d) approving the Assumption and Assignment Procedures for the assumption and assignment of certain executory contracts and unexpired leases and related cure amounts; and (e) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and upon the Court having reviewed the *Declaration of Sanjiv Shah in Support of Debtors' Emergency Motions for (i) Entry of an Order Approving the Cementing Bidding Procedures, and (ii) Entry of an Order Approving the Fracturing and Titan Bidding*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

Procedures [Docket No. 179] (the "Shah Declaration"); and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate; and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, THE COURT HEREBY FINDS THAT:

1. 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 proceeding pursuant to Bankruptcy Rule 9014. To the extent that 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.

2. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order of Reference to Bankruptcy Judges*, General Order 2012-6 (S.D. Tex. May 24, 2012) (Hinojosa, C.J.). Venue is proper in this district and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. Good and sufficient notice of the Motion, the Bidding Procedures, and the relief sought in the Motion has been given under the circumstances, and no other or further notice is

required except as set forth herein. A reasonable opportunity to object or be heard regarding the relief provided herein has been afforded to parties in interest.

4. The Debtors have articulated good and sufficient reasons for this Court to: (a) authorize and approve the Bidding Procedures for the Sale of the Cementing Business; (b) establish certain dates and deadlines including, the Bid Deadline, and the date of the Auction, if any, (c) approve the form and manner of the Auction, if any, and Sale Hearing, (d) approve the Assumption and Assignment Procedures for the assumption and assignment of certain executory contracts and unexpired leases and related cure amounts; and (e) grant related relief. The Debtors' compelling and sound business justification, which was set forth in the Motion, the First Day Declaration, Shah Declaration, and on the record at the Hearing, are incorporated herein by reference and, among other things, form the basis for the findings of fact and conclusions of law set forth herein.

5. The Motion, the related hearing to consider entry of the Bidding Procedures Order, and the Auction Notice constitutes good and adequate notice of the Auction, if any, and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002.

6. The Bidding Procedures attached as **Exhibit A** to the Order are fair, reasonable, appropriate, and are designed to maximize value from the consummation of the Transaction and are consistent with the Debtors' exercise of their respective fiduciary duties under applicable law.

7. The legal and factual bases set forth in the Motion establish just cause for the relief granted herein. Entry of this Order is in the best interests of the Debtors and their estates, creditors, interest holders, and all other parties in interest.

8. Nothing contained herein shall prejudice or impair any Secured Creditor's right to credit bid.

IT IS HEREBY ORDERED THAT:

9. The Motion is granted to the extent set forth herein.

10. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Motion or by this Order or separate stipulation filed with the Court are overruled; *provided, however*, that any objections to the Transaction (including, without limitation, any objection of the GACP Secured Parties to the sale of their collateral) are preserved for the sale hearing.

I. Important Dates and Deadlines.

Date	Event
Deadline to Receive Stalking Horse Bids	August 5, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Stalking Horse Bidder (if any)	August 6, 2020, at 4:00 p.m. (prevailing Central Time)
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Deadline to Object to Sale	August 13, 2020, at 4:00 p.m. (prevailing Central Time)
Sale Hearing	August 14, 2020, at 1:30 p.m. (prevailing Central Time)

11. **Stalking Horse Bid Deadline**. **August 5, 2020 at 4:00 p.m. (prevailing Central Time)** is the deadline for Acceptable Bidders that wish to be selected as the Stalking Horse Bidder to meet the Bid Requirements and submit a final version of the Form APA to Simmons and counsel to the Debtors. The Debtors may engage in further negotiation with each Acceptable Bidder regarding the Bid Documentation following the Stalking Horse Bid Deadline. The Bid Documentation should be submitted both as an executed PDF and in Word version, along with a marked version of all Bid Documentation against the form provided by the Debtors.

12. **Notice of Stalking Horse Bidder (if any).** If the Debtors execute a Stalking Horse Agreement, **no later than August 6, 2020 at 4:00 p.m.** is the deadline for the Debtors to file a notice with the Court announcing the Stalking Horse Bidder and execution of the Stalking Horse Agreement.

13. **Bid Deadline**. **August 10, 2020, at 11:59 p.m. (prevailing Central Time)**, is the deadline by which Bids (as well as the Deposit and all other documentation required under the Bidding Procedures for Qualified Bidders) must be submitted in accordance with the terms of the Bidding Procedures.

14. **Notice of Qualified Bidder Deadline**. If any Bid is determined by the Debtors not to be a Qualified Bid, the Acceptable Bidder shall be notified by the Debtors, and shall have until **the Auction**, to modify its Bid to increase the Purchase Price or otherwise improve the terms of the Bid for the Debtors; *provided* that any Qualified Bid may be improved at the Auction as set forth herein. If no Qualified Bid is received from an Acceptable Bidder pursuant to this paragraph, the Debtors will refund such Acceptable Bidder's Deposit on the date that is three business days after the Bid Deadline.

15. **Auction**. **August 12, 2020** is the date of the Auction, if any, which will be held by remote video, as will be indicated in the Auction Notice or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties; *provided* that the Auction shall not be continued more than three days without the consent of the Consultation Parties. As soon as reasonably practicable after the conclusion of the Auction, the Debtors will provide notice of the Winning Bidder.

16. **Sale Hearing**. **August 14, 2020, at 1:30 p.m.**, **(prevailing Central Time)**, is the date and time for the hearing to consider the approval of the Transaction contemplated by the Winning Bid.

17. **Transaction Objections**. Objections to the Transaction, if any, must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, (c) be filed with the Court and so as to be ***actually received*** **by no later than August 13, 2020 at 4:00 p.m.** (prevailing Central Time).

II. Auction, Bidding Procedures, and Related Relief.

18. The Bidding Procedures, attached to the Order as **Exhibit A**, are incorporated herein and are hereby approved in their entirety, and the Bidding Procedures shall govern the submission, receipt, and analysis of all Bids relating to any Transaction. Any party desiring to submit a Bid shall comply with the Bidding Procedures and this Order. The Debtors are authorized to take any and all actions necessary to implement the Bidding Procedures.

19. At the Auction, each Qualified Bidder will be entitled, but will not be obligated, to submit Overbids and will be entitled in any such Overbids to credit bid all or a portion of the value

of the secured portion of its claims within the meaning of section 363(k) of the Bankruptcy Code, subject to the limits on credit bidding set forth in the Bidding Procedures.

20. At the Auction, the Debtors may: (a) select, in their business judgment, pursuant to the Bidding Procedures, the highest or otherwise best Bid and the Winning Bidder or Backup Bidder; and (b) reject any Bid (regardless of whether such Bid is a Qualified Bid) that, in the Debtors' business judgment, is (i) inadequate, insufficient, or not the highest or best Bid, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, or the Bidding Procedures, or (iii) contrary to, or otherwise not in the best interests of, the Debtors' estates, affected stakeholders, or other parties in interest.

21. The Debtors shall be authorized, but not obligated, in an exercise of their business judgment, to select no more than one Stalking Horse Bidder and may agree to provide such Stalking Horse Bidder certain bid protections, including the expense reimbursement, work fee, and/or a break-up fee (the "Bid Protections"); *provided* that Bid Protections for the Stalking Horse Bidder that may be selected shall not exceed three percent of any cash amount of any proposed purchase price; *provided*, *further*, that no insider will receive Bid Protections. Prior to giving Bid Protections to the Stalking Horse Bidder, the Debtors shall consult with the Office of the United States Trustee for the Southern District of Texas, as well as counsel for an official committee of unsecured creditors should one be appointed in these chapter 11 cases, one (1) day prior to providing Bid Protections pursuant to this Order.

22. No person or entity, other than the Stalking Horse Bidder (if any), shall be entitled to any expense reimbursement, breakup fees, "topping," termination, or other similar fee or payment, and by submitting a Bid, such person or entity is deemed to have waived their right to

request or to file with this Court any request for expense reimbursement or any fee of any nature, whether by virtue of Bankruptcy Code section 503(b) or otherwise.

III. Assumption and Assignment Procedures.

23. On a date no later than seven[3] (7) days prior to the Sale Hearing, the Debtors shall file with the Court the Assumption and Assignment Notice attached hereto as **Exhibit C**, which shall set forth, among other things: (i) the Contract or Contracts to be assumed (or that the Debtors believe may be assumed based on then available Bids); (ii) the names and addresses of the counterparties to such Contracts; (iii) the Assignee, if applicable; (iv) the Assumption Date; (v) the proposed Cure Costs, if any for each such Contract; (vi) a description of any material amendments to the Contract made outside of the ordinary course of business; and (vii) the deadlines and procedures for filing objections to the Assumption and Assignment Notice. For the avoidance of doubt, the Debtors shall serve an Assumption and Assignment Notice on any applicable party as soon as reasonably possible upon learning that the underlying contract may be assumed.

24. The Debtors will cause the Assumption and Assignment Notice to be served (i) by email (or if no email is known, by overnight mail) upon the Contract counterparties affected by the Assumption and Assignment Notice at the address set forth in the notice provision of the applicable Contract (and their counsel, if known). To the extent the Debtors seek to assume and assign a lease of non-residential real property, the Debtors will, at the request of the applicable lease counterparty, use commercially reasonable efforts to provide evidence thereof to such applicable lease counterparty (and their counsel, if known) thereby demonstrating that the assignee

[3] The Debtors shall work with each Potential Bidder to determine what Contracts such bidders are likely to assume in advance of the Bid Deadline. The Debtors will serve the Assumption and Assignment Notice (and adequate assurance information) on all potential counterparties as soon as reasonably practicable to the extent not known prior to the Bid Deadline.

of the lease has the ability to comply with the requirements of adequate assurance of future performance.

25. Parties seeking to object must file an Assumption Objection so that such Assumption Objection is filed with the Court and **actually received two (2) days prior to the Sale Hearing**; provided that any party that is served with an Assumption and Assignment Notice less than seven days prior to the Sale Hearing may object up to and including at the Sale Hearing. If no objection to the assumption of any Contract is timely filed, each Contract shall be assumed as of the Assumption Date set forth in the applicable Assumption and Assignment Procedures or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree, and the proposed cure amount shall be binding on all counterparties to such Contract and no amount in excess thereof shall be paid for cure purposes; *provided*, *however*, that the Assumption Date for a lease of nonresidential real property shall not occur earlier than the date the Debtors filed and served the applicable Assumption and Assignment Notice.

26. If the Assumed Contract Counterparty does not file and serve an Assumption Objection or supplemental Assumption Objection in a manner that is consistent with the requirements set forth herein, and absent a subsequent order of the Court in connection with such objection establishing an alternative Cure Cost, (a) the Cure Costs, if any, set forth in the Notice of Assumption and Assignment shall be controlling, notwithstanding anything to the contrary in any Assumed Contract or any other document, and (b) the Assumed Contract Counterparty will be deemed to have consented to the assumption and assignment of the Assumed Contract and the Cure Costs, if any, and will be forever barred from asserting any other claims related to such Assumed Contract against the Debtors or the Winning Bidder, or the property of any of them.

27. The inclusion of an Assumed Contract on the Notice of Assumption and Assignment will not: (a) obligate the Debtors to assume any Assumed Contract listed thereon or the Winning Bidder to take assignment of such Assumed Contract; or (b) constitute any admission or agreement of the Debtors that such Assumed Contract is an executory contract. Only those Assumed Contracts that are included on a schedule of assumed and acquired Contracts attached to a final asset purchase agreement with a Winning Bidder (including amendments or modifications to such schedules in accordance with such asset purchase agreement) will be assumed and assigned to the applicable Winning Bidder. No Assumed Contract shall be assumed absent closing on the assignment thereof to the applicable Winning Bidder.

28. With regard to Contracts to be assigned, pursuant to section 363(b) of the Bankruptcy Code, the assignment of any Contract shall: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights) and (ii) any and all claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guarantees of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, claims, and encumbrances that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s) (but only in connection with the assignment by the Debtor to the Assignee)), and (b) constitutes a legal, valid, and effective transfer of such Contract(s) and vests the applicable Assignee with all rights, titles, and interests to the applicable Contract(s). For the avoidance of doubt, all provisions of the applicable assigned Contract, including any provision limiting future

assignment, shall be binding on the applicable Assignee after consummation of the assignment of such Contract by the Debtors to the Assignee.

IV. Miscellaneous.

29. The failure to include or reference a particular provision of the Bidding Procedures specifically in this Order shall not diminish or impair the effectiveness or enforceability of such a provision.

30. In the event of any inconsistencies between this Order and the Motion and/or the Bidding Procedures, this Order shall govern in all respects.

31. Notwithstanding anything else contained herein, (a) any relief granted herein, including any payment to be made or authorization contained hereunder, shall be subject in all respects to the terms and conditions of, including all requirements imposed upon the Debtors under, any interim or final order of the Court in these chapter 11 cases authorizing the use of cash collateral (as may be modified, amended, or supplemented, the "Cash Collateral Orders") (including, without limitation, the budget required in connection therewith) and the Prepetition ABL Loan Documents and GACP Term Loan Agreement (as defined in the Cash Collateral Orders) approved therein and (b) to the extent there is any inconsistency between the terms and conditions of such Cash Collateral Orders or Prepetition ABL Loan Documents or GACP Term Loan Agreement and any action taken or proposed to be taken hereunder, the terms and conditions of such Cash Collateral Orders shall govern.

32. Notwithstanding anything herein to the contrary, the entry of this Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly (a) the GACP Secured Parties' rights to pursue any and all rights and remedies under the Bankruptcy Code, the GACP Term Loan Agreement, or any other applicable agreement or law, or seek any other or supplemental

relief in respect of the Debtors, including the right to object to the Debtors' proposed sale of the Assets and the right to seek relief from stay with respect to the GACP Collateral, or the Debtors' or any other party in interest's rights to oppose such relief, or (b) any of the rights and remedies of the Debtors, the GACP Secured Parties, or any other party in interest under the GACP Term Loan Agreement, or other applicable agreement, the Bankruptcy Code, or applicable nonbankruptcy law. Nothing contained in this Order or the Bidding Procedures shall constitute or be construed as the GACP Secured Parties' consent to the sale of the GACP Collateral free and clear of any liens or claims of the GACP Secured Parties, or consent to the use of any proceeds of the GACP Collateral, or other cash collateral in which the GACP Secured parties have an interest by the Debtors or their estates for any purpose or to any extent. Capitalized terms used in this paragraph and not otherwise defined shall have the meanings ascribed to such terms in the Cash Collateral Orders.

33. Notice of the Motion satisfies the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

34. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

35. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

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

Signed: July 29, 2020

Marvin Isgur
United States Bankruptcy Judge

EXHIBIT A

Bidding Procedures

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	(Emergency Hearing Requested)

BIDDING PROCEDURES FOR THE SALE OF THE DEBTORS' CEMENTING BUSINESS

On July 20, 2020, BJ Services, LLC and certain of its subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Court"). On July 21, 2020, the Debtors filed the *Debtors' Emergency Motion for Entry of an Order (I) Establishing Bidding Procedures for the Sale of the Cementing Business, (II) Scheduling Bid Deadlines and an Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief* [Docket No. 39] (the "Bidding Procedures Motion"), seeking approval of, among other things, the procedures to determine the highest or otherwise best offer for the sale of the Debtors' cementing services business (the "Cementing Business"), through a section 363 sale process (any such transactions, a "Transaction").[2]

On July [●], 2020, the Bankruptcy Court entered an *Order (I) Establishing Bidding Procedures for the Sale of the Cementing Business, (II) Scheduling Bid Deadlines and an Auction, (III) Approving the Form and Manner of Notice Thereof, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Order," and the procedures contemplated herein, the "Bidding Procedures"). Pursuant to the Bidding Procedures, the Debtors are authorized to select the Stalking Horse Bidder (as defined below) and after announcing the Stalking Horse Bidder, if any, solicit further Bids (as defined below) culminating in an auction intended to obtain a higher or otherwise better Bid for the Transaction (the "Auction").

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1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

2 The Transaction may be structured as an asset sale, equity sale, plan of reorganization, or otherwise, as determined by the Debtors in consultation with the Winning Bidder (as defined below).

Key Dates

The key dates for the Sale are as follows. Such dates may be extended or otherwise modified by the Debtors.

Date	Event
Deadline to Receive Stalking Horse Bids	August 5, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Stalking Horse Bidder (if any)	August 6, 2020, at 4:00 p.m. (prevailing Central Time)
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Deadline to Object to the Sale	August 13, 2020, at 4:00 p.m. (prevailing Central Time)
Sale Hearing	August 14, 2020, at 1:30 p.m. (prevailing Central Time)

Marketing Process

I. Contact Parties.

The Debtors, in consultation with their investment banker, Simmons Energy, a division of Piper Sandler & Co. ("Simmons"), developed a list of parties whom they believe may be interested in, and whom the Debtors reasonably believe would have the financial resources to consummate, a Transaction (collectively, the "Contact Parties"). Simmons has already started to reach out to the Contact Parties to explore their interest in pursuing a Transaction and will continue to reach out to other Contact Parties to gauge their interest. The Contact Parties may include parties whom the Debtors or their advisors previously contacted regarding a Transaction, regardless of whether such parties expressed interest in pursuing a Transaction at the time. The Debtors and Simmons will continue to update and supplement the list of Contact Parties throughout the marketing process, as appropriate.

The Debtors may distribute (to the extent not already distributed) to each Contact Party and any other interested party or potential bidder an "Information Package" consisting of: (i) a copy of the Bidding Procedures, the Bidding Procedures Order, and the Bidding Procedures Motion; (ii) a form confidentiality agreement (a "Confidentiality Agreement"); and (iii) such other materials as appropriate under the circumstances.

II. Participation Requirements.

To receive due diligence information, including full access to the Debtors' electronic data room and to additional non-public information regarding the Debtors, a party interested in consummating the Transaction (each, a "Potential Bidder") must deliver to Simmons, the following documents (the "Preliminary Bid Documents"):

(a) an executed Confidentiality Agreement on terms reasonably acceptable to the Debtors, to the extent not already executed; and

(b) proof or other documentation acceptable to the Debtors, after consultation with the Consultation Parties (as defined below), of the Potential Bidder's financial capacity (i) to close a proposed Transaction, which may include financial statements of, or verified financial commitments obtained by, the Potential Bidder (or, if the Potential Bidder is an entity formed for the purpose of consummating the Transaction, the party that will bear liability for a breach), the adequacy of which will be assessed by the Debtors (with the assistance of their advisors), and (ii) to provide adequate assurance of future performance under any executory contracts and unexpired leases to be assumed by the Debtors and assigned to such Potential Bidder, pursuant to section 365 of the Bankruptcy Code, in connection with the Transaction.

Except as otherwise determined in the Debtors' business judgment, only those Potential Bidders that have submitted acceptable Preliminary Bid Documents (each, an "Acceptable Bidder") may submit bids. Promptly after a Potential Bidder delivers Preliminary Bid Documents, the Debtors will determine and notify the Potential Bidder whether such Potential Bidder has submitted acceptable Preliminary Bid Documents so that the Potential Bidder may proceed to conduct due diligence and ultimately submit a Bid (as defined below) to be the Stalking Horse Bidder (each as defined below) and participate in the Auction, as applicable, and will provide copies of any such notices to the Notice Parties.

Beginning on or as soon as is reasonably practicable after the Debtors determine that a Potential Bidder is an Acceptable Bidder, the Debtors will provide such Acceptable Bidder with access to an electronic data room and reasonable due diligence information, as requested by such Acceptable Bidder, as soon as reasonably practicable after such request, and the Debtors shall post substantially all written due diligence provided to any Acceptable Bidder to the Debtors' electronic data room.

The Debtors and their advisors will coordinate all reasonable requests from Acceptable Bidders for additional information and due diligence access; *provided* that the Debtors may decline

to provide such information to Acceptable Bidders who, at such time and in the Debtors' business judgment, after consultation with the Consultation Parties, have not established, or who have raised doubt, that such Acceptable Bidder intends in good faith to, or has the capacity to, consummate the Transaction.

Each Acceptable Bidder shall comply with all reasonable requests for additional information and due diligence access by the Debtors, the official committee of unsecured creditors (the "Committee"), if any, or their respective advisors regarding such Acceptable Bidder and its contemplated Transaction.

Stalking Horse Bidding Process

Under the Stalking Horse Bidding Process, Acceptable Bidders will prepare and submit definitive documentation, and the Debtors and certain selected Acceptable Bidders will continue to negotiate the terms of such definitive documentation. At the conclusion of this process, the Debtors may, in an exercise of their business judgment, select the Acceptable Bidder with the highest or otherwise best Bid to serve as the stalking horse bidder (the "Stalking Horse Bidder") in connection with the Auction.

A. Stalking Horse Bid Deadline.

Acceptable Bidders that wish to be selected as the Stalking Horse Bidder must meet the Bid Requirements (defined below) and submit a substantially final version of the Form APA (collectively, the "Stalking Horse Bid Documentation") to Simmons so that it is **actually received** no later than **4:00 p.m. (prevailing Central Time) on August 5, 2020** (the "Stalking Horse Bid Deadline"). The Debtors may engage in further negotiation with each of the Acceptable Bidders regarding the Bid Documentation following the Stalking Horse Bid Deadline. The Bid Documentation should be submitted both as an executed PDF and in Word version, along with a marked version of all Bid Documentation against the form provided by the Debtors.

As soon as reasonably practicable after the Stalking Horse Bid Deadline, the Debtors will evaluate the Stalking Horse Bid Documentation submitted by each Acceptable Bidder and may engage in additional negotiations to finalize such Stalking Horse Bid Documentation with one or more Acceptable Bidders in their sole discretion. The Debtors attach considerable importance to the terms and conditions set forth in the draft Transaction Documents (as defined below) and the nature and extent of any revisions thereto will be an important consideration in the evaluation of Bids (as defined below).

B. Selection of Stalking Horse Bidder and Bid Protections.

Upon entry of the Bidding Procedures Order, the Debtors shall be authorized, but not obligated, in an exercise of their business judgment, after consultation with the Consultation Parties, to (a) select no more than one Acceptable Bidder to act as the Stalking Horse Bidder (defined below) in connection with the Auction and (b) in connection with the Stalking Horse Agreement (as defined below) with the Stalking Horse Bidder (i) provide a breakup fee

(the "Breakup Fee"), (ii) agree to reimburse reasonable and documented out-of-pocket fees and expenses (the "Expense Reimbursement"), and/or (iii) agree to pay a "work fee" or other similar cash fee (the "Work Fee," and together with the Breakup Fee and the Expense Reimbursement, the "Bid Protections"); *provided* that the aggregate amount of Bid Protections that may be paid to the Stalking Horse Bidder on account of foregoing subclauses (i)–(iii) shall not exceed three percent of the proposed Purchase Price (as defined below).[3]

C. Stalking Horse Notice.

If the Debtors execute a Stalking Horse purchase agreement with a Stalking Horse Bidder (the "Stalking Horse Agreement"), the Debtors will file a notice with the Court announcing such Stalking Horse Bidder (the "Stalking Horse Notice") no later than **4:00 p.m. (prevailing Central Time) on August 6, 2020**.

Process for Additional Qualified Bids and Auction

Following the selection of the Stalking Horse Bidder, if any, the Debtors will solicit further Bids intended to obtain a higher or otherwise best Bid for the Transaction.

A. Bid Deadline.

An Acceptable Bidder that desires to make a proposal, solicitation, or offer (each, a "Bid") shall transmit such proposal, solicitation, or offer via email (in .pdf or similar format) so as to be **actually received** on or before **August 10, 2020, at 11:59 p.m. (prevailing Central Time)** (the "Bid Deadline") to:

(i) Simmons Energy, a division of Piper Sandler & Co., 609 Main Street, Suite 3800 Houston, Texas 77002, Attn. Sanjiv Shah (sanjiv.shah@simmonspsc.com), Tim McEuen (tim.mceuen@simmonspsc.com), Steve Erzinger (steve.erzinger@simmonspsc.com), and Kirby Stockard (kirby.stockard@simmonspsc.com);

(ii) Kirkland & Ellis LLP, 601 Lexington Ave New York, New York 10022, Attn: Joshua A. Sussberg (jsussberg@kirkland.com) and Christopher T. Greco (cgreco@kirkland.com), and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha Lawrence (samantha.lawrence@kirkland.com) and Josh M. Altman (josh.altman@kirkland.com); and

[3] Prior to giving Bid Protections to the Stalking Horse Bidder, the Debtors shall consult with the Office of the United States Trustee for the Southern District of Texas, as well as counsel for an official committee of unsecured creditors should one be appointed in these chapter 11 cases, one (1) day prior to providing Bid Protections pursuant to this Order.

(iii) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn: Jason S. Brookner (jbrookner@grayreed.com), Paul D. Moak (pmoak@grayreed.com), and Amber M. Carson (acarson@grayreed.com).

B. Bid Requirements.

Each Bid by an Acceptable Bidder must be submitted in writing and satisfy the following requirements (collectively, the "Bid Requirements"):

(i) **Purpose**. Each Acceptable Bidder must state that the Bid is an offer by the Acceptable Bidder to purchase certain of the cementing Business and state which assets with specificity.

(ii) **Purchase Price**. Each Bid must clearly set forth the terms of any proposed Transaction, including and identifying separately any cash and non-cash components of the proposed Transaction consideration, including, for example, certain liabilities to be assumed by the Acceptable Bidder (the "Purchase Price").

(iii) **Deposit**. Each Bid must be accompanied by a cash deposit in the amount equal to 5% of the aggregate value of the proposed Purchase Price of the Bid to be held in a separate account for the benefit of the Debtors (the "Deposit"); *provided, however*, that Secured Creditors shall not be required to fund a deposit with respect to any credit bid.

(iv) **Marked Agreement**. Each Bid must include a marked version of (i) the Form APA, which is attached to the Bidding Procedures Order as Exhibit D, in each case, together with the exhibits and schedules related thereto and any related Transaction Documents or other material documents integral to such Bid, pursuant to which the Acceptable Bidder proposes to effectuate the Transaction (collectively, the "Transaction Documents"). Any modifications to the Transaction contemplated by the Form APA must be submitted both as an executed PDF and in Word version, along with a marked version of all Transaction Documents against the form provided by the Debtors.

(v) **Committed Financing**. To the extent that a Bid is not accompanied by evidence of the Acceptable Bidder's capacity to consummate the Transaction set forth in its Bid with cash on hand, each Bid must include committed financing documented to the Debtors' satisfaction after consultation with the Consultation Parties that demonstrates that the Acceptable Bidder has received sufficient debt and/or equity funding commitments to satisfy the Acceptable Bidder's Purchase Price and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals.

(vi) **Contingencies; No Financing or Diligence Outs**. A Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence.

(vii) **Binding and Irrevocable**. An Acceptable Bidder's Bid must be irrevocable unless and until the Debtors accept a higher Bid and such Acceptable Bidder is not selected as the Backup Bidder (as defined below).

(viii) **Identity**. Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Acceptable Bidder if such Acceptable Bidder is an entity formed for the purpose of consummating the proposed Transaction contemplated by such Bid), and the complete terms of any such participation. Each Bid should also include contact information for the specific person(s), counsel, and other advisor whom Simmons and Kirkland & Ellis LLP should contact regarding such Bid.

(ix) **Adequate Assurance Information**. Each Bid must be accompanied by sufficient and adequate financial and other information to demonstrate, to the satisfaction of the Debtors, that such Acceptable Bidder (a) has the financial wherewithal and ability to consummate the Transaction designated in the applicable purchase agreement, and (b) can provide adequate assurance of future performance in connection the Transaction.

(x) **Authorization**. Each Bid must contain evidence acceptable to the Debtors that the Acceptable Bidder has obtained authorization or approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid, execution, and delivery of the Transaction Documents, and the consummation of the Transaction contemplated in such Bid.

(xi) **No Fees**. Each Acceptable Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed Transaction, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code; provided that the Debtors are authorized in their discretion to provide the Bid Protections to the Stalking Horse Bidder in accordance with these Bidding Procedures.

(xii) **Time Frame for Closing**. A Bid by an Acceptable Bidder must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors.

(xiii) **Adherence to Bidding Procedures**. By submitting its Bid, each Acceptable Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and

agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.

C. Minimum Value.

If the Debtors have filed the Stalking Horse Notice, in addition to the Bid Requirements set forth above, the Bid must provide for a Purchase Price equal to: (a) the Purchase Price set forth in the Stalking Horse Bid, plus (b) the Overbid Increment (as defined below), plus (c) the Breakup Fee, if any (provided that such Breakup Fee must be paid in cash), plus (d) any other amounts payable under the Stalking Horse Bid to the Stalking Horse Bidder (the "Minimum Value"); *provided, further*, that in the event of a credit bid by a Secured Creditor with respect to such Secured Creditors' collateral, the Purchase Price for the assets subject to such credit bid may be by credit against its secured claims.

D. Designation of Qualified Bidders.

A Bid will be considered a "Qualified Bid," and each Acceptable Bidder that submits a Qualified Bid will be considered a "Qualified Bidder," if the Debtors, after consultation with the Consultation Parties, determine that such Bid:

(i) satisfies the Bid Requirements set forth above;

(ii) provides a Purchase Price that exceeds the Minimum Value; and

(iii) is reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors and the Committee.

Within one business day after the Bid Deadline, the Debtors will notify each Qualified Bidder whether such party is a Qualified Bidder and shall provide the Notice Parties a copy of each Qualified Bid.

If any Bid is determined by the Debtors not to be a Qualified Bid, the Acceptable Bidder shall be notified by the Debtors, and shall have until **the Auction**, to modify its Bid to increase the Purchase Price or otherwise improve the terms of the Bid for the Debtors; *provided* that any Qualified Bid may be improved at the Auction as set forth herein. If no Qualified Bid is received from an Acceptable Bidder pursuant to this paragraph, the Debtors will refund such Acceptable Bidder's Deposit on the date that is three business days after the Bid Deadline.

Between the date the Debtors notify an Acceptable Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their Purchase Price, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; and *in addition*, any

Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

Notwithstanding anything herein to the contrary, the Debtors reserve the right to work with (a) Potential Bidders and Acceptable Bidders to aggregate two or more Bids into a single consolidated Bid or (b) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction. The Debtors reserve the right to cooperate with any Acceptable Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtors may accept a single Qualified Bid or multiple Bids that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple bidders shall be treated as a single Qualified Bidder for purposes of the Auction).

E. Right to Credit Bid.

Any Qualified Bidder who has a valid and perfected lien on any assets of the Debtors' estates (a "Secured Creditor") shall have the right to credit bid all or a portion of the value of such Secured Creditor's claims within the meaning of section 363(k) of the Bankruptcy Code; provided that a Secured Creditor shall have the right to credit bid its claim only with respect to the collateral by which such Secured Creditor is secured; and provided, further, that no Secured Creditor shall be required to submit a cash bid for any of the Assets that do not constitute collateral by which such Secured Creditor is secured, nor pay or credit bid for any fees to Simmons, as a condition to such Secured Creditor exercising its right to credit bid for its collateral.

Furthermore, notwithstanding anything to the contrary set forth in these Bidding Procedures, the Prepetition Equipment Term Loan Agent shall: (i) have the right to credit bid all or a portion of its prepetition secured claims up to a maximum amount of $190,000,000, without prejudice to the actual allowable amount of such claims; and (ii) be deemed to be a Qualified Bidder and shall not be required to provide any cash deposit, asset purchase agreement, due diligence materials, or any other materials as a condition to its participation at the Auction, and may participate in the Auction with respect to the Assets.

F. No Qualified Bids.

If the Debtors have received no Qualified Bids other than a Stalking Horse Bid as of the Bid Deadline, then the Auction will not occur and such Qualified Bid, if any, will be deemed the Winning Bid (as defined below). The Debtors reserve all rights to extend the Bid Deadline to such later date that the Debtors believe is necessary, in their sole discretion, to obtain additional Qualified Bids.

G. The Auction.

If the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Bid, the Debtors will conduct the Auction to determine the Winning Bidder with respect to the Transaction.

Prior to the Auction, the Debtors and their advisors will notify all Qualified Bidders of the highest or otherwise best Qualified Bid, as determined in the Debtors' business judgment (the "Baseline Bid"), and provide copies of the documents supporting the Baseline Bid to all Qualified Bidders, the Committee, if any, and the Notice Parties. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Winning Bid shall take into account any factors the Debtors, after consultation with the Consultation Parties, reasonably deem relevant to the value of the Qualified Bid to the Debtors' estates, including, among other things: (a) the number, type, and nature of any changes to the Form APA requested by the Qualified Bidder; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close the Transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtors' estates from the Transaction contemplated by the Baseline Bid; (e) the tax consequences of such Qualified Bid; and (f) impact to vendors, landlords, and employees (collectively, the "Bid Assessment Criteria"). Notwithstanding the foregoing, nothing contained in these Bidding Procedures (including, without limitation, the Bid Assessment Criteria) shall be used to modify or negate a Secured Creditor's right to credit bid, or to condition such right on the sale of assets that do not constitute such Secured Creditor's collateral.

The Auction shall take place at **a time to be determined on August 12, 2020**, by remote video, as will be indicated in the Auction Notice or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties; *provided*, *however*, that the Auction shall not be continued more than three days without the consent of the Consultation Parties. The Auction shall be conducted in a timely fashion according to the following procedures:

(i) The Debtors and their professionals shall direct and preside over the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid. All incremental Bids made thereafter shall be Overbids (as defined below) and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids, and the Winning Bid, which shall be available to all Qualified Bidders.

(ii) Only Qualified Bidders (including the Stalking Horse Bidder), the Debtors, the Consultation Parties, and each of their respective legal and financial advisors, and any other parties specifically invited or permitted to attend by the Debtors, shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Except as otherwise permitted by the Debtors, only Qualified Bidders shall be entitled to bid at the Auction.

(iii) **Terms of Overbids**. "Overbid" means any Bid made at the Auction by a Qualified Bidder subsequent to the Debtors' announcement of the Baseline Bid. Each Overbid must comply with the following conditions:

(a) Minimum Overbid Increment. Any Overbid following a Baseline Bid or following any subsequent Prevailing Highest Bid (as defined below) shall be in increments of value equal to $250,000, unless otherwise determined by the Debtors in an exercise of their business judgment (the "Overbid Increment").

(b) Conclusion of Each Overbid Round. Upon the solicitation of each round of Overbids, the Debtors may announce a deadline (as the Debtors may, in their business judgment, extend from time to time, the "Overbid Round Deadline") by which time any Overbids must be submitted to the Debtors.

(c) Overbid Alterations. An Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtors' estates than any prior Qualified Bid or Overbid, as determined in the Debtors' business judgment after consultation with the Consultation Parties, but shall otherwise comply with the terms of these Bidding Procedures.

(d) Announcing Highest Bid. Subsequent to each Overbid Round Deadline, the Debtors shall announce whether the Debtors have identified an Overbid as being higher or otherwise better than the Baseline Bid, in the initial Overbid Round, or, in subsequent rounds, the Overbid previously designated by the Debtors as the prevailing highest or otherwise best Bid (the "Prevailing Highest Bid"). The Debtors shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtors as the Prevailing Highest Bid, as well as the value attributable by the Debtors to such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria.

(iv) **Consideration of Overbids**. The Debtors reserve the right, in their business judgment, after consultation with the Consultation Parties, to adjourn the Auction one or more times, to, among other things (i) facilitate discussions between the Debtors and Potential Bidders, (ii) allow Qualified Bidders to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their business judgment, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed Transaction at the prevailing Overbid amount.

(v) **Closing the Auction**. The Auction shall continue until there is only one Qualified Bid that the Debtors determine, in their business judgment, after consultation with the Consultation Parties, to be the highest or otherwise best Qualified Bid. Such Qualified Bid shall be declared the winning bid (the "Winning Bid") and such Qualified Bidder, the winning bidder (the "Winning Bidder"), at which point the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the

Auction to the then Prevailing Highest Bid. Such acceptance by the Debtors of the Winning Bid is conditioned upon approval by the Court of the Winning Bid. For the avoidance of doubt, nothing in these Bidding Procedures shall prevent the Debtors from exercising their respective fiduciary duties under applicable law. As soon as reasonably practicable after closing the Auction, the Debtors shall finalize definitive documentation to implement the terms of the Winning Bid, and, as applicable, cause such definitive documentation to be filed with the Court.

(vi) **No Collusion; Good-Faith *Bona Fide* Offer**. Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (i) it has not engaged in any collusion with respect to the bidding and (ii) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Transaction if selected as the Winning Bidder.

H. Backup Bidder.

(i) Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid at the Auction, as determined by the Debtors in the exercise of their business judgment, after consultation with the Consultation Parties, shall be required to serve as a backup bidder (the "Backup Bidder") until such time that the Transaction is consummated upon entry of an order approving the Sale under section 363 of the Bankruptcy Code, and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated by the Debtors.

(ii) The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtors, at the conclusion of the Auction at the same time the Debtors announce the identity of the Winning Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until such time that the Transaction is consummated upon entry of an order approving the Transaction under section 363 of the Bankruptcy Code. The Backup Bidder's Deposit shall be held in a separate account pending approval of the Transaction by court order.

(iii) If the Winning Bidder fails to consummate the approved Transaction contemplated by its Winning Bid, the Debtors may select the Backup Bidder as the Winning Bidder, and such Backup Bidder shall be deemed a Winning Bidder for all purposes. The Debtors will be authorized, but not required, to consummate the Transaction contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Winning Bidder's Deposit shall be forfeited to the Debtors' estates, and the Debtors, on behalf of themselves and their estates, specifically reserve the right to seek all available remedies against the defaulting Winning Bidder, including, but not limited to, specific performance.

I. Notice and Consultation Parties.

Information must be provided to the following under these Bidding Procedures (the "Notice Parties"): (a) counsel to JPMorgan Chase Bank, N.A., in its capacity as agent under the Debtors' prepetition ABL credit agreement (the "Prepetition ABL Agent"); (b) counsel to GACP Finance Co., LLC, in its capacity as agent under the Debtors' prepetition equipment term loan (the "Prepetition Equipment Term Loan Agent"); (c) counsel to CLMG Corp., in its capacity as agent under the Debtors' prepetition real estate term loan (the "Prepetition Real Estate Term Loan Agent" and together with the Prepetition ABL Agent and Prepetition Term Loan Agent, the "Agents"); (d) counsel to the Committee; and (e) the United States Trustee for the Southern District of Texas.

The term "Consultation Parties" as used in these Bidding Procedures shall mean: (a) counsel to Prepetition ABL Agent, (b) counsel to Prepetition Equipment Term Loan Agent, (c) counsel to Prepetition Real Estate Term Loan Agent, and (d) counsel to any Committee, if any. To the extent that any party that would otherwise be a Consultation Party has not fully and irrevocably waived its right to submit a Bid, it shall not be a Consultation Party.

J. "As Is, Where Is."

Consummation of any Transaction will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtors or their estates, except as specifically accepted or agreed to by the Debtors. Except as specifically accepted or agreed to by the Debtors, all of the Debtors' right, title, and interest in and to the Cementing Business will be transferred to the Winning Bidder free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests in accordance with section 363(b) of the Bankruptcy Code.

By submitting a Bid, each Acceptable Bidder will be deemed to acknowledge and represent that it (i) has had an opportunity to conduct adequate due diligence regarding the Transaction prior to making its Bid, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Transaction or the completeness of any information provided in connection therewith or the Auction, except the representations and warranties as expressly stated in the Acceptable Bidder's Transaction Documents; and (iv) the Acceptable Bidder did not engage in any collusive conduct and acted in good faith in submitting its Bid.

K. Reservation of Rights.

The Debtors reserve their rights to modify these Bidding Procedures in their business judgment, in consultation with the Consultation Parties, in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on the Transaction, including: (a) extending the deadlines set forth in these Bidding Procedures; (b) adjourning the Auction at the Auction; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction;

(d) canceling the Auction; and (e) rejecting any or all Bids or Qualified Bids; *provided, however*, that the Debtors may not modify any Secured Creditor's credit bid rights without such Secured Creditor's prior written consent or by Order of the Court. Nothing in these Bidding Procedures shall abrogate the fiduciary duties of the Debtors. Notwithstanding anything to the contrary herein, the Debtors, in consultation with the Consultation Parties, may elect to consummate the Transaction through a chapter 11 plan as opposed to under section 363(b) of the Bankruptcy Code.

L. Consent to Jurisdiction.

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of these Bidding Procedures.

M. Approval of Winning Bid Hearing.

A hearing to consider the Transaction under section 363 of the Bankruptcy Code (the "Sale Hearing") pursuant to which the Debtors and the Winning Bidder intend to consummate the Transaction contemplated by the Winning Bid will be held **August 14, 2020, at 1:30 p.m. (prevailing Central Time)** and otherwise in accordance with any scheduling order entered by the Court.

The Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Hearing. No further notice of any such continuance will be required to be provided to any party.

N. Return of Deposit.

The Deposit of the Winning Bidder shall be applied to the Purchase Price of such Transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more separate accounts on terms acceptable to the Debtors and shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) on the date that is three business days after the Auction.

If a Winning Bidder fails to consummate a proposed Transaction because of a breach by such Winning Bidder, the Debtors will not have any obligation to return the Deposit deposited by such Winning Bidder, which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors and their estates, and the Debtors shall be free to consummate the proposed Transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

O. No Modification of Bidding Procedures.

These Bidding Procedures may not be modified except in accordance with Section K of these Bidding Procedures

EXHIBIT B

Auction and Sale Notice

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF AUCTION AND SALE HEARING

PLEASE TAKE NOTICE that on July 20, 2020, the above-captioned debtors and debtors in possession (the "Debtors") filed the *Debtors' Emergency Motion for Entry of an Order (I) Establishing Bidding Procedures for the Sale of the Cementing Business, (II) Scheduling Bid Deadlines and an Auction, (III) Approving the Form and Manner of Notice Thereof (IV) Approving Contract Assumption and Assignment Procedures, and (VI) Granting Related Relief* (the "Bidding Procedures Motion") with the United States Bankruptcy Court for the Southern District of Texas (the "Court") seeking, among other things, entry of an order (the "Bidding Procedures Order") (a) authorizing and approving the bidding procedures (the "Bidding Procedures") for the sale of the Debtors cementing services business (the "Cementing Business") (the "Transaction" or "Sale"); (b) establishing certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any; (c) approving the form and manner of notice of the Auction, if any, and the Winning Bidder (as defined below); (d) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases and the resolution of the related cure amounts; and (e) granting related relief. Please note that all capitalized terms used but not defined herein shall have the meanings set forth in the Bidding Procedures Motion.

PLEASE TAKE FURTHER NOTICE that the Debtors are soliciting offers for the purchase of the Cementing Business consistent with the Bidding Procedures approved by the Court by entry of an order on July [●], 2020 [Docket No. [●]]. **All interested bidders should carefully read the Bidding Procedures and Bidding Procedures Order.** To the extent that there are any inconsistencies between this notice and the Bidding Procedures or Bidding Procedures Order, the Bidding Procedures or Bidding Procedures Order, as applicable, shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that the Debtors will seek approval of the Sale at a hearing scheduled to commence **August 14, 2020 at 1:30 p.m. (prevailing Central Time)** (the "Sale Hearing") before the Honorable Judge Marvin Isgur, United States Bankruptcy

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

Judge for the Bankruptcy Court for the Southern District of Texas, at 515 Rusk Street, 4th Floor, Courtroom No. 404, Houston, Texas 77002.

PLEASE TAKE FURTHER NOTICE that, except as otherwise set forth in the Bidding Procedures Order with respect to any objections to proposed cure amounts or the assumption and assignment of Contracts and/or objections to the relief requested in the Sale Motion ***must***: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be ***actually received*** **by August 13, 2020 by 4:00 p.m.** by the following parties (the "Notice Parties"):

Counsel to the Debtors	**Co-Counsel to the Debtors**
Kirkland & Ellis LLP 601 Lexington Avenue New York, New York 10022 Attn: Joshua Sussberg and Christopher T. Greco Email: jsussberg@kirkland.com cgreco@kirkland.com and Kirkland & Ellis LLP 300 North LaSalle Chicago Illinois 60654 Attn: Samantha G. Lawrence and Josh Altman Email: samantha.lawrence@kirkland.com josh.altman@kirkland.com	Gray Reed & McGraw LLP 1300 Post Oak Boulevard, Suite 2000 Houston, Texas 77056 Attn: Jason S. Brookner, Paul D. Moak, and Amber M. Carson Email: jbrookner@grayreed.com pmoak@grayreed.com acarson@grayreed.com
Proposed Counsel to the Committee	**The United States Trustee**
	Office of the United States Trustee Southern District of Texas 15 Rusk Street, Suite 3516 Houston, Texas 77002 Attn: Hector Duran and Stephen Statham Email: hector.duran.jr.@usdoj.gov stephen.statham@usdoj.gov

Counsel to the Prepetition ABL Agent	Counsel to the Prepetition Equipment Term Loan Agent
Sidley Austin LLP One South Dearborn Chicago, Illinois 60603 Attn: Dennis Twomey, Herschel Hamner, and Alyssa Russell Email: dtwomey@sidley.com hhamner@sidley.com alyssa.russell@sidley.com and DLA Piper LLP 1201 North Market Street, Suite 2100 Wilmington, Delaware 19801 Attn: Stuart Brown Email: stuart.brown@dlapiper.com	Choate, Hall & Stewart LLP 2 International Place Boston, Massachusetts 02110 Attn: John Ventola Email : jventola@choate.com
Counsel to the Real Estate Term Loan Lenders	
Sheppard, Mullin, Richter & Hampton LLP 70 West Madison Street, 48th Floor Chicago, Illinois 60602 Attn: Justin Bernbrock Email: jbernbrock@sheppardmullin.com	

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE.

Important Dates and Deadlines

Date	Event
Deadline to Receive Stalking Horse Bids	August 5, 2020, at 4:00 p.m. (prevailing Central Time)
Notice of Stalking Horse Bidder (if any)	August 6, 2020, at 4:00 p.m. (prevailing Central Time)
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Deadline to Object to the Sale	August 13, 2020, at 4:00 p.m. (prevailing Central Time)
Sale Hearing	August 14, 2020, at 1:30 p.m. (prevailing Central Time)

PLEASE TAKE FURTHER NOTICE that copies of the Bidding Procedures Motion, Bidding Procedures, and Bidding Procedures Order, as well as all related exhibits are available: (a) free of charge upon request to Donlin, Recano & Company Inc. (the notice and claims agent in these chapter 11 cases), by visiting the website maintained in these chapter 11 cases at www.donlinrecano.com/bjs, or (c) for a fee via PACER by visiting http://www.tex.uscourts.gov.

PLEASE TAKE FURTHER NOTICE that you may obtain additional information concerning the above-captioned chapter 11 cases at the website maintained in these chapter 11 cases at www.donlinrecano.com/bjs.

Houston, Texas
July [●], 2020

/s/ Draft

GRAY REED & McGRAW LLP
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Proposed Co-Counsel to the Debtors and Debtors in Possession

EXHIBIT C

Assumption and Assignment Notice

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the "Debtors")[2] each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Texas (the "Court") on July 20, 2020.

PLEASE TAKE FURTHER NOTICE that on [●], 2020, the Court entered an order [Docket No. [●]] (the "Bidding Procedures Order") approving, among other things, (a) the Debtors' Bidding Procedures in connection with any proposed auction (the "Auction") for the sale(s) (any such transaction, a "Transaction" or the a "Sale") of the Debtors' cementing services business (the "Cementing Business"), (b) establishing certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any, (c) approving the form and manner of notice of the Auction, if any, and the Winning Bidder, (d) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases and the resolution of related cure amounts (the "Assumption and Assignment Procedures"), and (e) granting related relief.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Assumption and Assignment Procedures and by this written notice, the Debtors hereby notify you that they have determined, in the exercise of their business judgment, that the Contracts and any modifications thereto set forth on **Exhibit I** attached hereto (collectively, the "Assumed Contracts") shall be assumed and assigned to the Assignee, subject to the Assignee's payment of the cure amounts set forth on **Exhibit I**, or such other cure amounts that are agreed to by the parties.

PLEASE TAKE FURTHER NOTICE that nothing herein (i) alters in any way the prepetition nature of the Assumed Contracts or the validity, priority, or amount of any claims of a counterparty to any Assumed Contract against the Debtors that may arise under such Assumed

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not yet defined herein have the meanings ascribed to such terms later in this Motion or in the First Day Declaration, as applicable.

Contract, (ii) creates a postpetition contract or agreement, or (iii) elevates to administrative expense priority any claims of a counterparty to any Assumed Contract against the Debtors that may arise under such Assumed Contract.

PLEASE TAKE FURTHER NOTICE that the inclusion of an Assumed Contract on the Notice of Assumption and Assignment will not: (a) obligate the Debtors to assume any Assumed Contract listed thereon or the Winning Bidder to take assignment of such Assumed Contract; or (b) constitute any admission or agreement of the Debtors that such Assumed Contract is an executory contract. Only those Assigned Contracts that are included on a schedule of assumed and acquired contracts attached to a final asset purchase agreement with a Winning Bidder (including amendments or modifications to such schedules in accordance with such asset purchase agreement) will be assumed and assigned to the applicable Winning Bidder.

PLEASE TAKE FURTHER NOTICE that any Contract assumed pursuant to section 363(f) of the Bankruptcy Code shall: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights) and (ii) any and all claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guarantees of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, claims, and encumbrances that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s) (but only in connection with the assignment by the Debtor to the Assignee)), and (b) constitutes a legal, valid, and effective transfer of such Contract(s) and vests the applicable Assignee with all rights, titles, and interests to the applicable Contract(s). For the avoidance of doubt, all provisions of the applicable Assumed Contract, including any provision limiting future assignment, shall be binding on the applicable Assignee after consummation of the assignment of such Contract by the Debtors to the Assignee.

Obtaining Additional Information

Copies of the Bidding Procedures Order, the Bidding Procedures, the Plan, and all pleadings filed in these chapter 11 cases are available upon request to Donlin, Recano & Company, Inc., the Debtors' notice and claims agent, by calling (877) 274-7653 (Domestic) or (212) 771-1128 (International), or by visiting the case website at http://www.donlinrecano.com/bjs.

Important Dates and Deadlines

1. Parties objecting to a proposed assumption and assignment and/or to a Winning Bidder's proposed form of adequate assurance of future performance must file a written objection (each, an "Assumption Objection") so that such Assumption Objection is filed with the Court and **actually received two (2) days prior to the Sale Hearing and served on the Notice Parties.**

2. A hearing to consider approval of the proposed Sale will be held on **August 14, 2020, at 1:30 p.m. (prevailing Central Time)** or such other date as determined by the Court.

Filing Assumption and Assignment Objections

Pursuant to the Assumption and Assignment Procedures, if no objection to the assumption of any Contract is timely filed, each Contract shall be assumed as of the Assumption Date set forth in the applicable Assumption and Assignment Procedures or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree, and the proposed cure amount shall be binding on all counterparties to such Contract and no amount in excess thereof shall be paid for cure purposes; provided, however, that the Assumption Date for a lease of nonresidential real property shall not occur earlier than the date the Debtors filed and served the applicable Assumption and Assignment Notice.

Any objections will be considered at the Sale Hearing, or as soon thereafter as counsel may be heard, and must be served on the following parties:

Counsel to the Debtors	**Co-Counsel to the Debtors**
Kirkland & Ellis LLP 601 Lexington Avenue New York, New York 10022 Attn: Joshua Sussberg and Christopher T. Greco Email: jsussberg@kirkland.com cgreco@kirkland.com and Kirkland & Ellis LLP 300 North LaSalle Chicago Illinois 60654 Attn: Samantha G. Lawrence and Josh Altman Email: samantha.lawrence@kirkland.com josh.altman@kirkland.com	Gray Reed & McGraw LLP 1300 Post Oak Boulevard, Suite 2000 Houston, Texas 77056 Attn: Jason S. Brookner, Paul D. Moak, and Amber M. Carson Email: jbrookner@grayreed.com pmoak@grayreed.com acarson@grayreed.com
Proposed Counsel to the Committee	**The United States Trustee**
	Office of the United States Trustee Southern District of Texas 15 Rusk Street, Suite 3516 Houston, Texas 77002 Attn: Hector Duran and Stephen Statham Email: hector.duran.jr.@usdoj.gov stephen.statham@usdoj.gov

Counsel to the Prepetition ABL Agent	Counsel to the Prepetition Equipment Term Loan Agent
Sidley Austin LLP One South Dearborn Chicago, Illinois 60603 Attn: Dennis Twomey, Herschel Hamner, and Alyssa Russell Email: dtwomey@sidley.com hhamner@sidley.com alyssa.russell@sidley.com and DLA Piper LLP 1201 North Market Street, Suite 2100 Wilmington, Delaware 19801 Attn: Stuart Brown Email: stuart.brown@dlapiper.com	Choate, Hall & Stewart LLP 2 International Place Boston, Massachusetts 02110 Attn: John Ventola Email: ventola@choate.com
Counsel to the Real Estate Term Loan Lenders	
Sheppard, Mullin, Richter & Hampton LLP 70 West Madison Street, 48th Floor Chicago, Illinois 60602 Attn: Justin Bernbrock Email: jbernbrock@sheppardmullin.com	

Consequences of Failing to Timely File and Serve an Objection

Any counterparty to an Assumed Contract who fails to timely file and serve an objection to the proposed assumption and assignment of an Assumed Contract in accordance with the Bidding Procedures Order and Assumption and Assignment Procedures incorporated therein shall be forever barred from asserting any objection to the assumption and assignment of the Assumed Contract and/or the cure payment set forth on Exhibit I, including asserting additional cure amounts with respect to an Assumed Contract relating to any period prior to the time of assumption and assignment.

[*Remainder of page left intentionally blank*]

Houston, Texas
July [●], 2020

/s/ Draft

GRAY REED & McGRAW LLP
Jason S. Brookner (TX Bar No. 24033684)
Paul D. Moak (TX Bar No. 00794316)
Amber M. Carson (TX Bar No. 24075610)
1300 Post Oak Boulevard, Suite 2000
Houston, Texas 77056
Telephone: (713) 986-7127
Facsimile: (713) 986-5966
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Proposed Co-Counsel to the Debtors and Debtors in Possession

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KIRKLAND & ELLIS INTERNATIONAL LLP
Joshua A. Sussberg, P.C.
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New York, New York 10022
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Email: joshua.sussberg@kirkland.com
cgreco@kirkland.com

-and-

Samantha G. Lawrence (admitted *pro hac vice*)
Joshua M. Altman (admitted *pro hac vice*)
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Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200
Email: samantha.lawrence@kirkland.com
josh.altman@kirkland.com

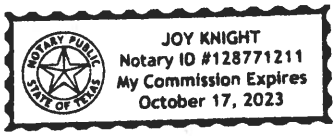
Proposed Co-Counsel to the Debtors and Debtors in Possession

EXHIBIT D

[In order for the Debtors to best engage prospective purchasers, Form APA is available upon request of Debtors' advisors.]

EXHIBIT 16

THIS IS **EXHIBIT "16"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	(Emergency Hearing Requested)

DEBTORS' EMERGENCY MOTION FOR ENTRY OF AN ORDER (I) APPROVING THE BIDDING PROCEDURES WITH RESPECT TO CERTAIN OF THE DEBTORS' FRACKING EQUIPMENT AND INTELLECTUAL PROPERTY, (II) SCHEDULING AN AUCTION AND A SALE HEARING, (III) APPROVING THE FORM AND MANNER OF NOTICES RELATED THERETO, (IV) APPROVING CONTRACT ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (V) GRANTING RELATED RELIEF

EMERGENCY RELIEF HAS BEEN REQUESTED. A HEARING WILL BE CONDUCTED ON THIS MATTER ON JULY 29, 2020, AT 1:30 PM (CENTRAL TIME) IN COURTROOM 404, 4TH FLOOR, 515 RUSK STREET, HOUSTON, TEXAS 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 29, 2020.

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 ISGUR'S CONFERENCE ROOM NUMBER IS 954554.

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 APPLICATION.

ONCE CONNECTED TO WWW.JOIN.ME, A PARTICIPANT MUST SELECT "JOIN A MEETING". THE CODE FOR JOINING THIS HEARING BEFORE JUDGE ISGUR IS "JUDGEISGUR". THE NEXT SCREEN WILL HAVE A PLACE FOR THE PARTICIPANT'S NAME IN THE LOWER LEFT CORNER. PLEASE COMPLETE THE NAME AND CLICK "NOTIFY".

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

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 AND SCHEDULES;

4) SELECTING "VIEW HOME PAGE" FOR JUDGE ISGUR;

5) UNDER "ELECTRONIC APPEARANCE" SELECT "CLICK HERE TO SUBMIT ELECTRONIC APPEARANCE;"

6) SELECT BJ SERVICES, LLC, ET AL. FROM THE LIST OF ELECTRONIC APPEARANCE LINKS; AND

7) AFTER SELECTING BJ SERVICES, LLC, 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")[2] respectfully state as follows in support of this motion (this "Motion"):[3]

Introduction

1. By this Motion, the Debtors seek approval of procedures (the "Bidding Procedures") to facilitate a value-maximizing sale (the "Sale" or "Transaction") of their right, title, and interest in and to certain vendor contracts and intellectual property related to the Debtors' next-generation fracturing pump platform referred to as TITAN™ (the "Titan Assets"), certain of the Debtors' other intellectual property assets (including the "BJ Services" name) (the "Intellectual Property"), and certain machinery and equipment that comprises four of the Debtors' fracturing

[2] A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this Motion and the Debtors' chapter 11 cases, are set forth in the *Declaration of Warren Zemlak, Chief Executive Officer of BJ Services, LLC, in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), filed on July 21, 2020 and incorporated herein by reference.

[3] Capitalized terms used but not yet defined herein have the meanings ascribed to such terms later in this Motion, in the Bidding Procedures, or in the First Day Declaration, as applicable.

fleets (the "M&E Assets," and together with the Titan Assets and the Intellectual Property, the "Assets").[4]

2. On July 15, 2020, after going-concern negotiations between the Debtors' stakeholders broke down, an affiliate of one of the Debtors' equity sponsors, CSL Capital Management, L.P. ("CSL"), submitted an offer for part of the Assets. Following mediation, CSL increased its bid by adding one fracturing fleet and the "BJ Services" intellectual property to its bid, and increased the purchase price from $23 million to $30 million. After arm's-length negotiations, the Debtors' Independent Directors authorized BJ Services, LLC ("BJS") and BJ Services Holdings Canada, ULC (together with BJS, each a "Seller" and collectively the "Sellers") on the one hand, and TES Asset Acquisition, LLC (the "Stalking Horse Bidder") on the other, to enter into that certain asset purchase agreement attached to the Bidding Procedures Order as **Exhibit 1** (the "Stalking Horse Agreement"). If approved, the Sale contemplated by the Stalking Horse Agreement would save approximately 300 jobs.

3. **Decision to Enter Into Stalking Horse Agreement.** Because CSL is an equity owner—and therefore likely an "insider"[5]—of the Debtors, the Debtors' Independent Directors made the decision to enter into the Stalking Horse Agreement. The Independent Directors' decision was predicated on the following four key factors, among others: (a) the Stalking Horse Agreement contains no bid protections or payments of any kind to CSL or the Stalking Horse Bidder, (b) the Stalking Horse Agreement is subject to higher and better bids and a public auction process, (c) the Stalking Horse Agreement provides a floor for the sale price of the Assets that the

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[4] The M&E Assets are collateral of the Equipment Term Loan Lenders. The Intellectual Property and Titan Assets are unencumbered assets.

[5] On July 17, 2020, all three CSL-appointed members of the Debtors' board of directors submitted resignation letters. As such, CSL has no control over the Debtors' Board of directors at this time.

Prepetition ABL Lenders find acceptable, and (d) consummating the Stalking Horse Agreement would save approximately 300 jobs. Notably, the Stalking Horse Agreement also contains a "fiduciary out," allowing the independent directors to terminate the agreement should they determine that doing so is a proper exercise of their fiduciary duties.

4. **Best Option Available.** The Debtors' precarious liquidity situation described in the First Day Declaration adds immense pressure to finalize a Sale of the Assets while the applicable Assets are still operating as a going-concern or within a reasonable (approximately one-week) transition period thereafter, before clients find alternative servicers.[6] Whether or not the Stalking Horse Bidder is ultimately the successful bidder, the Debtors believe the M&E Assets and the Titan Assets have more value now as a going-concern than they will after the Debtors stop operating. Accordingly, the Debtors believe that instituting the going-concern sale process contemplated by this Motion—even on the expedited timeline contemplated hereby—will lead to the best available outcome for the Debtors and provide the most available Sale proceeds to fund the Debtors' chapter 11 cases and creditor recoveries.

5. **Competitive Bidding Process.** The Debtors believe that they can create a competitive bidding process in this expedited timeline. The Debtors were focused on a going-concern Transaction until the days leading up to the Petition Date and did not engage in a prepetition marketing process for these Assets. But the chapter 11 filing and press release—and the media articles effectively advertising the going-concern sale process—served as an effective "running start" to the process. The Debtors' investment banker with respect to the Sale, Simmons Energy, a division of Piper Sandler & Co. ("Simmons"), understands the need to move quickly.

[6] Fracturing fleets generally move from project to project for individual clients. The Debtors believe that clients only will wait a limited period of time prior to seeking an alternative provider for the Debtors' services.

During this short time, Simmons has already begun active dialogue with strategic private equity firms and public and private companies within the industry, facilitating rapid and senior level access to potential buyers of the Assets. They have reached out to more than 50 parties and several are actively engaging in the sale process.

6. To implement the most value-maximizing sale process available under the circumstances, the Debtors propose to follow the Bidding Procedures to promptly sell the Assets. Accordingly, the Debtors submit the Bidding Procedures and the related relief requested in this Motion is in the best interests of the Debtors' estates and their stakeholders, and respectfully request that the Court grant the Motion.

Relief Requested

7. The Debtors seek entry of an Order substantially in the form attached hereto (the "Bidding Procedures Order"):

(a) authorizing the Debtors to enter into the Stalking Horse Agreement, attached to the Bidding Procedures Order as Exhibit 1, which will remain subject in all respects to the auction process and any final order approving the Sale;

(b) authorizing and approving the bidding procedures, attached to the Bidding Procedures Order as Exhibit 2 (the "Bidding Procedures"), for the Sale;

(c) establishing the following dates and deadlines related to the sale process (subject to change in the Debtors' reasonable discretion that such a change will enhance the value of the Assets in the Sale);

Date	Event
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders Deadline	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
File Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction

Objection Deadline	August 13, 2020, at 4:00 p.m. (prevailing Central Time)
Sale Hearing	No later than August 14, 2020

(d) approving the form and manner of notice of the Auction, if any, and the Sale Hearing (the "Auction and Sale Notice"), attached as Exhibit 3 to the Bidding Procedures Order;

(e) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases (the "Contracts") and the resolution of the related cure amounts related thereto (the "Assumption and Assignment Procedures") and the form and manner of the notice thereof attached as Exhibit 4 to the Bidding Procedures Order;[7] and

(f) granting related relief.

8. For the avoidance of doubt, the Debtors intend to seek entry of an order (the "Sale Order") at the conclusion of the Sale Hearing (as defined below) effectuating the Sale to the Stalking Horse Bidder or such other Bidder that becomes the Successful Bidder at the Auction. The Debtors will file a proposed form of Sale Order in advance of the hearing to consider the relief requested herein.

Jurisdiction and Venue

9. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court.

10. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

[7] In light of the expedited timeline, the Debtors will work to provide notice to counter parties to Contracts that may be assumed as they learn that bidders are interested in assuming such Contracts, and work to resolve any potential cure objections.

11. The bases for the relief requested herein are sections 105(a), 363, and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), Bankruptcy Rules 2002 and 6004, and rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Bankruptcy Local Rules").

Background

12. BJ Services, LLC and its Debtor affiliates are leading providers of pressure pumping and oilfield services for the petroleum industry. Headquartered in Tomball, Texas, the Debtors operate through two segments, hydraulic fracturing, and cementing. The Debtors primarily serve customers in upstream North American oil and natural gas shale basins in the completion of new wells and in remedial work on existing wells.

13. On July 20, 2020 (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On the Petition Date, the Court entered an order granting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

The Sale Process and Bidding Procedures

I. The Sale Timeline.

14. The Debtors believe promptly commencing the sale and marketing process for the Assets represents the best alternative available for all stakeholders in these chapter 11 cases. Moreover, it is critical for the Debtors to execute the Transaction expeditiously given the circumstances.

15. Accordingly, the Debtors propose the following timeline for the Sale:

Date	Event
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders Deadline	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
File Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Objection Deadline	August 13, 2020, at 4:00 p.m. (prevailing Central Time)
Sale Hearing	No later than August 14, 2020

II. Key Terms of the Stalking Horse Agreement.

16. The key terms and conditions of the Stalking Horse Agreement are listed below.[8]

Term	Summary Description
Parties	Sellers: BJS and BJ Services Holdings Canada, ULC Buyer: TES Asset Acquisition, LLC
Purchased Assets	On and subject to the terms and conditions of the Stalking Horse Agreement, the Sale Order and the Sale Recognition Order, at the Closing, each Seller will sell, transfer, convey, assign and deliver to Purchaser, and Purchaser will purchase and acquire from each Seller, free and clear of all liens, mortgages, pledges, security interests, charges, claims, options or other encumbrances (collectively, "Liens") other than Permitted Liens, all of such Seller's right, title and interest, as of the Closing, in and to the Purchased Assets. For purposes hereof, the "Purchased Assets" shall mean: • to the maximum extent permitted by the Bankruptcy Code and applicable Law, all Assumed Contracts (excluding any accounts receivable relating thereto with respect to periods prior to the

[8] The following summary is provided for convenience purposes only. At the time of the filing of this Motion, the Stalking Horse Agreement has not yet been finalized and the terms described herein are subject to material revision in connection with the ongoing negotiations regarding the Stalking Horse Agreement. To the extent any of the terms described below are inconsistent with the Stalking Horse Agreement, the Stalking Horse Agreement attached as Exhibit 1 shall govern.

Term	Summary Description
	Closing); • (i) the intellectual property rights set forth on Schedule 1 of the Stalking Horse Agreement, (ii) the Assumed Contracts listed on Schedule 2 of the Stalking Horse Agreement, and (iii) the know-how, trade secrets and other unregistered intellectual property rights (including source code) owned by Sellers (expressly excluding trademarks, domain names, and patents) that exclusively relate to the items listed in Schedule 1 and Schedule 2 of the Stalking Horse Agreement (the assets described in clauses (i) through (iii), collectively, the "Specified Assets"); • the M&E fleets set forth on Schedule 1 of the Stalking Horse Agreement hereto and all other Equipment directly and specifically related thereto (the "M&E Assets"); and • to the extent transferable under applicable Law, any visa-related rights maintained by any Seller for the benefit of any employees identified in writing by Purchaser prior to the date hereof in accordance with applicable law, the expense of which transfer shall be solely borne by Purchaser. • The Purchased Assets do not include, and Sellers shall retain, all of Sellers' assets not specifically identified in this Section 2.1 of the Stalking Horse Agreement as being Purchased Assets (collectively, the "Excluded Assets").
Purchase Price	Total Purchase Price: $30 million • M&E Assets: $18 million • Titan Assets: $12 million
Employees	Purchaser to hire approximately 300 of the Debtors' employees that work on the purchased fracturing fleets[9]
Deadline to Consummate Transaction	August 28, 2020
Bid Protections, Expense Reimbursement, or	None

[9] The Employees will be simultaneously laid off by the Debtors and hired by the Purchaser (or an affiliate thereof).

Term	Summary Description
other payments to Stalking Horse Bidder	

III. The Bidding Procedures.

17. To optimally and expeditiously solicit, receive, and evaluate Bids in a fair and accessible manner, the Debtors have developed and proposed the Bidding Procedures to govern the Auction process. The Debtors designed the Bidding Procedures to encourage all parties to put their best Bids forward and to maximize the value of the Debtors' remaining Assets. The Bidding Procedures establish, among other things:[10]

(a) **Participation Requirements**.

(i) To receive due diligence information, including full access to the Debtors' electronic data room and to additional non-public information regarding the Debtors, a party interested in consummating the Transaction (each, a "Potential Bidder") must deliver to Simmons, the following documents (the "Preliminary Bid Documents"):

1. an executed Confidentiality Agreement on terms reasonably acceptable to the Debtors, to the extent not already executed; and

2. if requested, proof or other documentation acceptable to the Debtors, after consultation with the Consultation Parties (as defined below), of the Potential Bidder's financial capacity to close a proposed Transaction and provide adequate assurance of future performance under any executory contracts and unexpired leases to be assumed by the Debtors and assigned to such Potential Bidder pursuant to section 365 of the Bankruptcy Code, in connection with the Transaction.

[10] This summary is qualified in its entirety by the Bidding Procedures attached to the Order as Exhibit 2. All capitalized terms used in this summary but not defined herein have the meanings ascribed to such terms in the Bidding Procedures. To the extent there are any conflicts between this summary and the Bidding Procedures, the terms of the Bidding Procedures shall govern.

(ii) The Debtors and their advisors will coordinate all reasonable requests from Potential Bidders for additional information and due diligence access; *provided* that the Debtors may decline to provide such information to Potential Bidders who, at such time and in the Debtors' business judgment, after consultation with the Consultation Parties, have not established, or who have raised doubt, that such Potential Bidder intends in good faith to, or has the capacity to, consummate the Transaction.

(iii) Each Potential Bidder shall comply with all reasonable requests for additional information and due diligence access by the Debtors, the official committee of unsecured creditors (the "Committee"), if any, or their respective advisors regarding such Potential Bidder and its contemplated Transaction.

(b) Stalking Horse Bid.

(i) On July 24, 2020, the Debtors entered into the Stalking Horse Agreement with the Stalking Horse Bidder, pursuant to which, among other things: the Stalking Horse Bidder proposed to (a) purchase, acquire, and take assignment and delivery of, free and clear of all liens, claims encumbrances and other interests (except as provided in the Stalking Horse Agreement), the Assets, and certain executory contracts and unexpired leases and designation rights related thereto, and (b) assume the assumed liabilities (as defined in the Stalking Horse Agreement) (collectively the "Stalking Horse Agreement") on the terms set forth in the Stalking Horse Purchase Agreement, subject to higher or better Bids.

(c) **Bid Deadline**. A Potential Bidder that desires to make a proposal, solicitation, or offer (each, a "Bid") shall transmit such proposal, solicitation, or offer via email (in .pdf or similar format) so as to be **actually received** on or before **August 10, 2020, at 11:59 p.m. (prevailing Central Time)** (the "Bid Deadline") to:

(i) Simmons, 609 Main Street, Suite 3800, Houston, Texas 77002, Attn: Sanjiv Shah (sanjiv.shah@simmonspsc.com); Tim McEuen (Tim.McEuen@simmonspsc.com); Steve Erzinger (Steve.Erzinger@simmonspsc.com), and Kirby Stockard (Kirby.Stockard@simmonspsc.com);

(ii) Kirkland & Ellis LLP, 601 Lexington Ave New York, New York 10022, Attn: Joshua A. Sussberg (joshua.sussberg@kirkland.com) and Christopher T. Greco (cgreco@kirkland.com), and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha Lawrence (samantha.lawrence@kirkland.com) and Josh M. Altman (josh.altman@kirkland.com); and

(iii) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn: Jason S. Brookner (jbrookner@grayreed.com), Paul D. Moak (pmoak@grayreed.com), and Amber M. Carson (acarson@grayreed.com).

(d) **Bid Requirements.** Each Bid by a Potential Bidder must be submitted in writing and satisfy the following requirements (collectively, the "Bid Requirements"):

(i) Purpose. Each Potential Bidder must state that the Bid is an offer to purchase certain of the Assets and state which Assets with specificity.

(ii) Purchase Price. Each Bid must clearly set forth the terms of any proposed Transaction, including and identifying separately any cash and non-cash components of the proposed Transaction consideration (the "Purchase Price") and allocating the Purchase Price among the Assets.

(iii) Deposit. Each Bid must be accompanied by a cash deposit in the amount equal to 10% of the aggregate value of the proposed Purchase Price of the Bid to be held in a separate account for the benefit of the Debtors (the "Deposit");

(iv) Marked Agreement. Each Bid must include a signed asset purchase agreement, together with all exhibits and schedules thereto, the form of which will be provided to any Potential Bidder before the Bid Deadline, along with a redline version of such agreement relative to the Stalking Horse Agreement, attached hereto as Exhibit 1 to the Order, pursuant to which the Qualified Bidder proposes to effectuate the Transaction (collectively, the "Transaction Documents").

(v) Committed Financing. To the extent that a Bid is not accompanied by evidence of the Potential Bidder's capacity to consummate the Transaction set forth in its Bid with cash on hand, each Bid must include committed financing documented to the Debtors' satisfaction after consultation with the Consultation Parties that demonstrates that the Potential Bidder has received sufficient debt and/or equity funding commitments to satisfy the Potential Bidder's Purchase Price and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals.

(vi) Contingencies; No Financing or Diligence Outs. A Bid cannot contain any financing, diligence or other contingencies of any nature not included in the Stalking Horse Agreement.

(vii) Binding and Irrevocable. A Potential Bidder's Bid must be irrevocable unless and until the Debtors accept a higher Bid and such Potential Bidder is not selected as the Backup Bidder (as defined below).

(viii) Identity. Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Potential Bidder if such Potential Bidder is an entity formed for the purpose of consummating the proposed Transaction contemplated by such Bid), and the complete terms of any such participation. Each Bid should also include contact information for the specific person(s), counsel, and other advisor whom Simmons and Kirkland & Ellis LLP should contact regarding such Bid.

(ix) Adequate Assurance Information. Each Bid must be accompanied by sufficient and adequate financial and other information to demonstrate, to the satisfaction of the Debtors, that such Potential Bidder (a) has the financial wherewithal and ability to consummate the Transaction designated in the applicable purchase agreement, and (b) can provide adequate assurance of future performance in connection the Transaction.

(x) Authorization. Each Bid must contain evidence acceptable to the Debtors that the Potential Bidder has obtained authorization or approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid, execution, and delivery of the Transaction Documents, and the consummation of the Transaction contemplated in such Bid.

(xi) No Fees. Each Potential Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed Transaction, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.

(xii) Time Frame for Closing. A Bid by a Potential Bidder must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors.

(xiii) Adherence to Bidding Procedures. By submitting its Bid, each Potential Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.

(e) **Minimum Value**. The Bid must provide for a (i) a cash Purchase Price equal to: (a) the Purchase Price set forth in the Stalking Horse Bid, plus (b) $500,000 (the "Minimum Value").

(f) **Designation of Qualified Bidders**.

(i) A Bid will be considered a "Qualified Bid," and each Potential Bidder that submits a Qualified Bid will be considered a "Qualified Bidder," if the Debtors, after consultation with the Consultation Parties, determine that such Bid:

1. satisfies the Bid Requirements set forth above;

2. provides a Purchase Price that exceeds the Minimum Value; and

3. is reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors and the Committee.

(ii) The Debtors will notify each Qualified Bidder and the Stalking Horse Bidder whether such party is a Qualified Bidder and shall provide the Notice Parties a copy of each Qualified Bid by the Notice of Qualified Bidders Deadline. At such time, the Debtors shall also distribute copies of the Qualified Bids to the Stalking Horse Bidder and each Qualified Bidder.

(iii) If any Bid is determined by the Debtors not to be a Qualified Bid, the Potential Bidder shall be notified by the Debtors, and shall have until **the start of the Auction** to modify its Bid to increase the Purchase Price or otherwise improve the terms of the Bid for the Debtors; *provided* that any Qualified Bid may be improved at the Auction as set forth herein.

(iv) Between the date the Debtors notify a Potential Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their Purchase Price, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; and *in addition*, any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

(v) Notwithstanding anything herein to the contrary, the Debtors reserve the right to work with (a) Potential Bidders and Potential Bidders to aggregate two or more Bids into a single consolidated Bid or (b) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction. The Debtors reserve the right to cooperate with any Potential Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtors may accept a single Qualified Bid or multiple Bids that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple bidders shall be treated as a single Qualified Bidder for purposes of the Auction).

(vi) The Stalking Horse Bidder shall be deemed to be a Qualified Bidder, the Stalking Horse Bid shall be deemed a Qualified Bid, and the Stalking Horse Bidder may participate in the Auction with respect to the Assets.

(g) **No Qualified Bids**. If the Debtors have received no Qualified Bids other than a Stalking Horse Bid as of the Bid Deadline, then the Auction will not occur and the Stalking Horse Bidder will be deemed the Winning Bid (as defined below). The Debtors reserve all rights to extend the Bid Deadline to such later date that the Debtors believe is necessary, in their sole discretion, to obtain additional Qualified Bids.

(h) **The Auction**.

(i) If the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Bid, the Debtors will conduct the Auction to determine the Winning Bidder with respect to the Transaction.

(ii) Prior to the Auction, the Debtors and their advisors will notify all Qualified Bidders and the Stalking Horse Bidder of the highest or otherwise best Qualified Bid, as determined in the Debtors' business judgment (the "Baseline Bid"), and provide copies of the documents supporting the Baseline Bid to all Qualified Bidders, the Stalking Horse Bidder, the Committee, if any, and the Notice Parties. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Winning Bid shall take into account any factors the Debtors, after consultation with the Consultation Parties, reasonably deem relevant to the value of the Qualified Bid to the Debtors' estates, including, among other things: (a) the number, type, and nature of any changes to the Stalking Horse Agreement requested by the Qualified Bidder; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close the Transaction and the timing thereof; (d) the net economic effect of any changes to the value to

be received by the Debtors' estates from the Transaction contemplated by the Baseline Bid; (e) the tax consequences of such Qualified Bid; and (f) impact to vendors, landlords, and employees (collectively, the "Bid Assessment Criteria").

(iii) The Auction shall take place at **a time to be determined no later than August 12, 2020**, by remote video as will be indicated in the Auction Notice, or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties. The Auction shall be conducted in a timely fashion according to the following procedures:

1. The Debtors and their professionals shall direct and preside over the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid. All incremental Bids made thereafter shall be Overbids (as defined below) and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction.

2. Only Qualified Bidders (including the Stalking Horse Bidder), the Debtors, the Consultation Parties, and each of their respective legal and financial advisors, and any other parties specifically invited or permitted to attend by the Debtors, shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or Bid themselves or through duly authorized representatives. Except as otherwise permitted by the Debtors, only Qualified Bidders shall be entitled to bid at the Auction.

3. Terms of Overbids. "Overbid" means any Bid made at the Auction by a Qualified Bidder subsequent to the Debtors' announcement of the Baseline Bid, including any by the Stalking Horse Bidder. Each Overbid must comply with the following conditions:

4. Minimum Overbid Increment. Any Overbid following the Baseline Bid or following any subsequent Prevailing Highest Bid (as defined below) shall be in increments of $500,000, unless otherwise determined by the Debtors in an exercise of their business judgment (the "Overbid Increment").

5. Conclusion of Each Overbid Round. Upon the solicitation of each round of Overbids, the Debtors may announce a deadline (as the Debtors may, in their business judgment, extend from time to time, the "Overbid Round Deadline") by which time any Overbids must be submitted to the Debtors.

6. Overbid Alterations. An Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtors' estates than any prior Qualified Bid or Overbid, as determined in the Debtors' business judgment after consultation with the Consultation Parties, but shall otherwise comply with the terms of these Bidding Procedures.

7. Announcing Highest Bid. Subsequent to each Overbid Round Deadline, the Debtors shall announce whether the Debtors have identified an Overbid as being higher or otherwise better than the Baseline Bid, in the initial Overbid Round, or, in subsequent rounds, the Overbid previously designated by the Debtors as the prevailing highest or otherwise best Bid (the "Prevailing Highest Bid"). The Debtors shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtors as the Prevailing Highest Bid, as well as the value attributable by the Debtors to such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria. For the avoidance of doubt, the Prevailing Highest Bid may be multiple Qualified Bids if, in the Debtors business judgment, such bids, taken together, are the highest or otherwise best Bid.

8. Consideration of Overbids. The Debtors reserve the right, in their business judgment, after consultation with the Consultation Parties, to adjourn the Auction one or more times, to, among other things (i) facilitate discussions between the Debtors and Potential Bidders, (ii) allow Qualified Bidders to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their business judgment, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed Transaction at the prevailing Overbid amount.

9. Closing the Auction. The Auction shall continue until there is only one Qualified Bid that the Debtors determine, in their business judgment, after consultation with the Consultation Parties, to be the highest or otherwise best Qualified Bid. Such Qualified Bid shall be declared the winning Bid (the "Winning Bid") and such Qualified Bidder, the winning bidder (the "Winning Bidder"), at which point the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid. Such acceptance by the Debtors of the Winning Bid is conditioned upon approval by the Court of the Winning Bid. For the avoidance of doubt, nothing in these Bidding Procedures shall prevent the Debtors from exercising their respective fiduciary duties under applicable law. As soon as reasonably practicable after closing the Auction, the Debtors shall finalize definitive documentation to implement the terms of the Winning Bid, and, as applicable, cause such definitive documentation to be filed with the Court.

10. No Collusion; Good-Faith *Bona Fide* Offer. Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (i) it has not engaged in any collusion with respect to the bidding, and (ii) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Transaction if selected as the Winning Bidder.

(i) **Backup Bidder**.

(i) Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid at the Auction, as determined by the Debtors in the exercise of their business judgment, after consultation with the Consultation Parties, shall be required to serve as a backup bidder (the "Backup Bidder") until such time that the Transaction is consummated upon entry of an order approving the Sale under section 363 of the Bankruptcy Code, and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated by the Debtors.

(ii) The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtors, at the conclusion of the Auction at the same time the Debtors announce the identity of the Winning Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup

Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until such time that the Transaction is consummated upon entry of an order approving the Transaction under section 363 of the Bankruptcy Code. The Backup Bidder's Deposit shall be held in a separate account pending approval of the Transaction by court order.

(iii) If the Winning Bidder fails to consummate the approved Transaction contemplated by its Winning Bid, the Debtors may select the Backup Bidder as the Winning Bidder, and such Backup Bidder shall be deemed a Winning Bidder for all purposes. The Debtors will be authorized, but not required, to consummate the Transaction contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Winning Bidder's Deposit shall be forfeited to the Debtors' estates, and the Debtors, on behalf of themselves and their estates, specifically reserve the right to seek all available remedies against the defaulting Winning Bidder, including, but not limited to, specific performance.

(j) **Notice and Consultation Parties**.

(i) Information must be provided to the following under these Bidding Procedures (the "Notice Parties"): (a) counsel to JPMorgan Chase Bank, N.A., in its capacity as agent under the Debtors' prepetition ABL credit agreement (the "Prepetition ABL Agent"), (b) counsel to GACP Finance Co., LLC, in its capacity as agent under the Debtors' prepetition equipment term loan (the "Prepetition Equipment Term Loan Agent"), (c) counsel to CLMG Corp., in its capacity as agent under the Debtors' prepetition real estate term loan (the "Prepetition Real Estate Term Loan Agent" and together with the Prepetition ABL Agent and Prepetition Term Loan Agent, the "Agents"), (d) counsel to the Committee, and (e) the United States Trustee for the Southern District of Texas.

(ii) The term "Consultation Parties" as used in these Bidding Procedures shall mean: (a) counsel to Prepetition ABL Agent, (b) counsel to Prepetition Equipment Term Loan Agent, and (c) counsel to any Committee, if any. To the extent that any party that would otherwise be a Consultation Party has not fully and irrevocably waived its right to submit a Bid, it shall not be a Consultation Party.

(k) **"As Is, Where Is."**

(i) Consummation of any Transaction will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtors or their estates, except as specifically

accepted or agreed to by the Debtors. Except as specifically accepted or agreed to by the Debtors, all of the Debtors' right, title, and interest in and to the Assets will be transferred to the Winning Bidder pursuant to section 363(b) of the Bankruptcy Code.

(ii) By submitting a Bid, each Potential Bidder will be deemed to acknowledge and represent that it (i) has had an opportunity to conduct adequate due diligence regarding the Transaction prior to making its Bid, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Transaction or the completeness of any information provided in connection therewith or the Auction, except the representations and warranties as expressly stated in the Potential Bidder's Transaction Documents; and (iv) the Potential Bidder did not engage in any collusive conduct and acted in good faith in submitting its Bid.

(l) **Reservation of Rights**. The Debtors reserve their rights to modify these Bidding Procedures in their business judgment, in consultation with the Consultation Parties, in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on the Transaction, including: (a) extending the bid deadline set forth in these Bidding Procedures; (b) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (c) canceling the Auction; and (d) rejecting any or all Bids or Qualified Bids. Nothing in these Bidding Procedures shall abrogate the fiduciary duties of the Debtors. Notwithstanding anything to the contrary herein, the Debtors, in consultation with the Consultation Parties, may elect to consummate the Transaction through a chapter 11 plan as opposed to under section 363(b) of the Bankruptcy Code.

(m) **Consent to Jurisdiction**. All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of these Bidding Procedures.

(n) **Approval of Winning Bid Hearing.**

(i) A hearing to consider the Transaction under section 363 of the Bankruptcy Code (the "Sale Hearing") pursuant to which the Debtors and the Winning Bidder intend to consummate the Transaction contemplated by the Winning Bid will be held **no later**

than August 14, 2020 and otherwise in accordance with any scheduling order entered by the Court.

(ii) **The Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Hearing. No further notice of any such continuance will be required to be provided to any party.**

(o) **Return of Deposit**.

(i) The Deposit of the Winning Bidder shall be applied to the Purchase Price of such Transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more separate accounts on terms acceptable to the Debtors and shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) on the date that is three business days after the Auction.

(ii) If a Winning Bidder fails to consummate a proposed Transaction because of a breach by such Winning Bidder, the Debtors will not have any obligation to return the Deposit deposited by such Winning Bidder, which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors and their estates, and the Debtors shall be free to consummate the proposed Transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

(p) **No Modification of Bidding Procedures**. These Bidding Procedures may not be modified except in accordance with Section J of the Bidding Procedures.

18. Importantly, the Bidding Procedures recognize the Debtors' fiduciary obligations to maximize value, and, as such, do not impair the Debtors' ability to consider all Qualified Bid proposals. In addition, the Bidding Procedures preserves the Debtors' right to modify the Bidding Procedures as necessary or appropriate to maximize the value of the Assets.

IV. The Assumption and Assignment Procedures.

19. On a date no later than seven[11] (7) days prior to the Sale Hearing, the Debtors shall file with the Court a notice in the form attached as Exhibit 4 to the Bidding Procedures Order (the

[11] In light of the expedited timeline, the Debtors will work with each Potential Bidder to determine what Contracts they are likely to assume in advance of the Bid Deadline. The Debtors will serve the Assumption and Assignment

"Assumption and Assignment Notice") to assume one or more Contracts pursuant to section 365 of the Bankruptcy Code, which shall set forth, among other things: (i) the Contract or Contracts to be assumed; (ii) the names and addresses of the counterparties to such Contracts; (iii) the identity of the proposed assignee of such Contracts (the "Assignee"), if applicable; (iv) the effective date of the assumption for each such Contract (the "Assumption Date"); (v) the proposed cure amount (the "Cure Costs"), if any for each such Contract; (vi) a description of any material amendments to the Contract made outside of the ordinary course of business; and (vii) the deadlines and procedures for filing objections to the Assumption and Assignment Notice (as set forth below).

20. The Debtors will cause the Assumption and Assignment Notice to be served (i) by email (or if no email is known, by overnight mail) upon the Contract counterparties affected by the Assumption and Assignment Notice at the address set forth in the notice provision of the applicable Contract (and their counsel, if known). To the extent the Debtors seek to assume and assign a lease of non-residential real property, the Debtors will, at the request of the applicable lease counterparty, use commercially reasonable efforts to provide evidence to such applicable lease counterparty (and their counsel, if known) demonstrating that the Assignee of the lease has the ability to comply with the requirements of adequate assurance of future performance.

21. Parties objecting to a proposed assumption and assignment and/or to a Winning Bidder's proposed form of adequate assurance of future performance must file a written objection (each, an "Assumption Objection") so that such Assumption Objection is filed with the Court and actually received two (2) days prior to the Sale Hearing and served on the Notice Parties; provided however that such parties may raise such issues with Debtors' counsel to be resolved informally

Notice (and adequate assurance information) on all potential counterparties as soon as reasonably practicable to the extent not known prior to the Bid Deadline.

at any time. If no objection to the assumption of any Contract is timely filed, each Contract shall be assumed as of the Assumption Date set forth in the applicable Assumption and Assignment Procedures or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree, and the proposed cure amount shall be binding on all counterparties to such Contract and no amount in excess thereof shall be paid for cure purposes; provided, however, that the Assumption Date for a lease of nonresidential real property shall not occur earlier than the date the Debtors filed and served the applicable Assumption and Assignment Notice.

22. If the Assumed Contract Counterparty does not file and serve an Assumption Objection in a manner that is consistent with the requirements set forth herein, and absent a subsequent order of the Court in connection with such objection establishing an alternative Cure Cost, (a) the Cure Costs, if any, set forth in the Notice of Assumption and Assignment shall be controlling, notwithstanding anything to the contrary in any Assumed Contract or any other document, and (b) the Assumed Contract Counterparty will be deemed to have consented to the assumption and assignment of the Assumed Contract and the Cure Costs, if any, and will be forever barred from asserting any other claims related to such Assumed Contract against the Debtors or the Winning Bidder, or the property of any of them.

23. The inclusion of an Assumed Contract on the Notice of Assumption and Assignment will not: (a) obligate the Debtors to assume any Assumed Contract listed thereon or the Winning Bidder to take assignment of such Assumed Contract; or (b) constitute any admission or agreement of the Debtors that such Assumed Contract is an executory contract. Only those Assumed Contracts that are included on a schedule of assumed and acquired Contracts attached to a final asset purchase agreement with a Winning Bidder (including amendments or modifications to such schedules in accordance with such asset purchase agreement) will be assumed and assigned

to the applicable Winning Bidder. No Assumed Contract shall be assumed absent closing on the assignment thereof to the applicable Winning Bidder.

24. With regard to Contracts to be assigned, pursuant to section 363(b) of the Bankruptcy Code, the assignment of any Contract shall: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights) and (ii) any and all claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guarantees of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, claims, and encumbrances that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s) (but only in connection with the assignment by the Debtor to the Assignee)), and (b) constitutes a legal, valid, and effective transfer of such Contract(s) and vests the applicable Assignee with all rights, titles, and interests to the applicable Contract(s). For the avoidance of doubt, all provisions of the applicable assigned Contract, including any provision limiting future assignment, shall be binding on the applicable Assignee after consummation of the assignment of such Contract by the Debtors to the Assignee.

V. Form and Manner of Auction Notice.

25. The Auction shall take on or prior to August 12, 2020, or such later date as agreed in writing by all of the Parties hereto, which may be by email correspondence among counsel, by remote video as will be indicated in the Auction Notice or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties; provided, however, that

the Auction shall not be continued more than three days without the consent of the Consultation Parties.

26. Within three (3) business days of the entry of the Order, or as soon thereafter as practicable, the Debtors shall cause the Auction Notice to be served upon the Notice Parties (as defined herein). The Auction Notice will indicate that copies of this Motion and any future sale motion documents, if applicable, can be obtained on the website of the Debtors' claims and noticing agent www.donlinrecano.com/bjs. The Auction Notice will include, among other things, the proposed date, time, and place of the Auction and the deadline for filing any objections to the relief requested in this motion, and, will therefore, comply with Bankruptcy Rule 2002(c). The Debtors submit that notice of this Motion, the related Sale Hearing to consider entry of the Bidding Procedures Order, and the Auction Notice constitutes good and adequate notice of the Auction and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002. The Debtors propose that no other or further notice of the Auction shall be required. Accordingly, the Debtors request the Court approve the form and manner of the notice.

Basis for Relief

I. The Bidding Procedures Are Fair, Designed to Maximize the Value of the Assets, and Are Consistent with the Debtors' Reasonable Business Judgment.

27. Courts have made clear that a debtor's business judgment is entitled to substantial deference with respect to the procedures to be used in selling an estate's assets. *See, e.g.*, *In re Institutional Creditors of Continental Air Lines, Inc. v. Continental Air Lines, Inc., (In re Continental Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) ("[F]or a debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the

ordinary course of business"); *In re Crutcher Resources Corp.*, 72 B.R. 628, 631 (Bankr. N.D. Tex. 1987) ("A Bankruptcy Judge has considerable discretion in approving a § 363(b) sale of property of the estate other than in the ordinary course of business but the movant must articulate some business justification for the sale.").

28. The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. *See In re Edwards*, 228 B.R. 552, 561 (Bankr. E.D. Pa. 1998) ("The purpose of procedural bidding orders is to facilitate an open and fair public sale designed to maximize value for the estate"); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564–65 (8th Cir. 1997) (in bankruptcy sales, "a primary objective of the [Bankruptcy Code] [is] to enhance the value of the estate at hand"); *In re Integrated Res., Inc.*, 147 B.R. 650, 659 (S.D.N.Y. 1992) ("[I]t is a well-established principle of bankruptcy law that the objective of the bankruptcy rules and the trustee's duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate") (internal citations omitted).

29. To that end, courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy transactions. *See, e.g., In re Integrated Res., Inc.*, 147 B.R. at 659 (bidding procedures "are important tools to encourage bidding and to maximize the value of the debtor's assets"); *In re Fin. News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1991) ("court-imposed rules for the disposition of assets [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estates.").

30. Here, the Debtors carefully evaluated a number of qualitative and quantitative factors in designing a process they believe will maximize the value of their estates and produce maximum recoveries for their stakeholders. This includes the Bidding Procedures, which were

designed to promote active bidding from genuinely interested parties and to elicit the highest or otherwise best offers available for the Assets. Furthermore, the Bidding Procedures provide the Debtors with an opportunity to consider competing Bids and select the highest or otherwise best offer for the completion of the Sale. Entering into the Stalking Horse Agreement with the Stalking Horse Bidder ensures the Debtors will achieve a Sale at a fair purchase price within 21 days, with the opportunity to achieve even more value for the Assets. As such, creditors of the Debtors' estates can be assured that the consideration obtained will be fair and reasonable and at or above market. The Debtors are confident that the Bidding Procedures will allow the Debtors to solicit additional offers and conduct their sale process in a controlled, fair, and open fashion, encouraging participation by financially capable bidders who can demonstrate the ability to assume the Assets, obligations, and liabilities being transferred. Specifically, the Bidding Procedures contemplate an open auction process with minimum barriers to entry and provides Potential Bidders sufficient time to perform due diligence and acquire the information necessary to submit a timely and well-informed Bid.

31. Moreover, there is a presumption that a sale will result in a full and fair price where the sale is conducted through a court-approved auction process. *See Bank of Am. Nat'l Trust & Sav. Ass'n. v. LaSalle St. P'ship*, 526 U.S. 434, 457 (1999). *See also In Re Trans World Airlines, Inc.*, No. 01-00056, 2001 WL 1820326, at *4 (Bankr. D. Del. 2001) (while a "sale transaction does not require an auction procedure, the auction procedure has developed over the years as an effective means for producing an arm's length fair value transaction.").

II. The Form and Manner of the Auction Notice Should Be Approved.

32. Pursuant to Bankruptcy Rule 2002(a), the Debtors are required to provide creditors with 21 days' notice of the Auction. Pursuant to Bankruptcy Rule 2002(c), such notice must

include the time and place of the Auction and the deadline for filing any objections to the relief requested herein.

33. The Auction Notice will include, among other things, the proposed date, time, and place of the Auction and the deadline for filing any objections to the relief requested in this motion, and, will therefore, comply with Bankruptcy Rule 2002(c). Accordingly, no further notice is necessary and the Debtors request that this Court approve the form and manner of notice of the Auction.

III. The Assumption and Assignment of the Assigned Contracts Should Be Approved.

A. The Assumption and Assignment of the Contracts Reflects the Debtors' Reasonable Business Judgment.

34. Section 365 of the Bankruptcy Code authorizes a debtor to assume and assign its executory contracts and unexpired leases, subject to court approval, provided that the defaults under such contracts and leases are cured and adequate assurance of future performance is provided. A debtor's decision to assume or reject an executory contract or unexpired lease must only satisfy the "business judgment rule" and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment. *See, e.g.*, *Grp. of Institutional Investors v. Chicago, Milwaukee, St. Paul & Pacific Ry. Co.*, 318 U.S. 523, 550–51 (1943) (applying Bankr. Act section 77(b), predecessor to Bankruptcy Code section 365, and rejecting test of whether executory contract was burdensome in favor of whether rejection is within debtor's business judgment); *Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989) (affirming rejection of an executory contract as measured by "business judgment" test); *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006) ("The propriety of a decision to reject an executory contract is governed by the business judgment standard"), *vacated on other grounds and remanded*, 607 F.3d 957 (3d Cir. 2010); *In re Network Access Solutions, Corp.*, 330 B.R. 67, 75

(Bankr. D. Del. 2005) ("The standard for approving the assumption of an executory contract is the business judgment rule.").

35. Here, the Court should approve the Debtors' request for authority to assume or assume and assign their executory contracts and unexpired leases where they determine, in their business judgment, it is an essential component of the Sale: ***First***, the Debtors' executory contracts and unexpired leases may be necessary to effectively operate or utilize the Debtors' Assets and, as such, they are essential to inducing the best offer or offers for the Assets. ***Second***, it is possible a potential purchaser would not want to acquire Assets unless a significant number of the contracts and leases associated with them are included in the Transaction. ***Third***, the Debtors the assumption and assignment of the Assumed Contracts are integral to, and inextricably integrated in, the Sale. ***Finally***, the Debtors' executory contracts and unexpired lease would be assumed or assumed and assigned though a process approved by the Court pursuant to the Bidding Procedures Order and, thus, would be reviewed by key constituents in these chapter 11 cases.

36. Accordingly, the Debtors submit the assumption or assumption and assignment of their Contracts by way of the Assumption Procedures should be approved as a sound exercise of their business judgment.

B. Defaults Under the Assumed Contracts Will Be Cured Through the Sale.

37. Upon finding that a debtor has exercised its business judgment in determining that assuming an executory contract or unexpired lease is in the best interest of its estate, courts must then evaluate whether the assumption meets the requirements of section 365(b) of the Bankruptcy Code that a debtor (a) cure, or provide adequate assurance of promptly curing, prepetition defaults in the executory contract, (b) compensate parties for pecuniary losses arising therefrom, and (c) provide adequate assurance of future performance thereunder. This section "attempts to strike a balance between two sometimes competing interests, the right of the contracting non-debtor to

get the performance it bargained for and the right of the debtor's creditors to get the benefit of the debtor's bargain." *In re Luce Indus., Inc.*, 8 B.R. 100, 107 (Bankr. S.D.N.Y. 1980) (footnote omitted), *rev'd and remanded*, 14 B.R. 529 (S.D.N.Y. 1981).

38. The Debtors submit that the statutory requirements of section 365(b)(1)(A) of the Bankruptcy Code will be promptly satisfied because the Bidding Procedures require that all Qualified Bidders commit to assuming all outstanding obligations (with the exception of obligations under the Debtors' prepetition secured debt facilities), which would include curing all defaults associated with any executory contracts or unexpired leases assumed or assumed and assigned as part of the Sale. Because the Bidding Procedures Order (once approved) provides a clear process by which to resolve disputes over cure amounts or other defaults, the Debtors are confident that if defaults exist that must be cured, such cure will be achieved fairly, efficiently, and properly, consistent with the Bankruptcy Code and with due respect to the rights of non-Debtor parties.

C. Non-Debtor Parties will Be Adequately Assured of Future Performance.

39. Similarly, the Debtors submit that the third requirement of section 365(b) of the Bankruptcy Code—adequate assurance of future performance—is also satisfied given the facts and circumstances present here. The meaning of "adequate assurance of future performance" depends on the facts and circumstances of each case, but should be given a "practical, pragmatic construction." *In re DBSI, Inc.*, 405 B.R. 698, 708 (Bankr. D. Del. 2009). *See also In re Decora Indus., Inc.*, No. 00-4459, 2002 WL 32332749, at *8 (D. Del. May 20, 2002) ("[A]dequate assurance falls short of an absolute guaranty of payment."); *In re Prime Motor Inns, Inc.*, 166 B.R. 993, 997 (Bankr. S.D. Fla. 1994) ("[T]he assurance of future performance is adequate if performance is likely (i.e., more probable than not); the degree of assurance necessary falls considerably short of an absolute guaranty."). Among other things, adequate assurance may be

given by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. *See In re Bygaph, Inc.*, 56 B.R. 596, 605−06 (Bankr. S.D.N.Y. 1986) (finding adequate assurance of future performance where a prospective assignee has financial resources and has expressed a willingness to devote sufficient funding to a business to give it a strong likelihood of succeeding).

40. The Debtors will satisfy the requirements for assumption or assumption and assignment of any Contracts in connection with any Sale. The Bidding Procedures require the Debtors to evaluate the financial wherewithal (*e.g.*, financial credibility, willingness and ability of the interested party to perform under any executory contracts and unexpired lease proposed to be assigned) of Potential Bidders before designating any party a Potential Bidder or a Qualified Bidder. Further, the Potential Bidder or Qualified Bidder may be required to provide adequate assurance of future performance. And, all counterparties to Assumed Contracts will be provided with notice of the proposed assumption and assignment and will have adequate time and opportunity to object to the assumption and proposed cure amount or otherwise be heard with respect thereto.

IV. The Debtors Intend to Seek Approval of the Sale as an Exercise of Sound Business Judgment at the Sale Hearing.

41. Section 363(b)(1) of the Bankruptcy Code provides that a debtor, "after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." The Sale of a debtor's assets should be authorized pursuant to section 363 of the Bankruptcy Code if a sound business purpose exists for the proposed transaction. *See, e.g., In re Martin*, 91 F.3d 389, 395 (3d. Cir. 1996) ("Under Section 363, the debtor in possession can sell property of the estate . . . if he has an 'articulated business justification' . . . ."). *See also In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991) (same); *In re Abbotts Dairies of Pennsylvania,*

Inc.,788 F.2d 143 (3rd Cir. 1986); *Stephens Indus., Inc. v. McClung*, 789 F. 2d 386, 390 (6th Cir. 1986); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983); *In re Telesphere Commc's, Inc.*, 179 B.R. 544, 552 (Bankr. N.D. Ill. 1999); *In re Delaware & Hudson Railway Co.*, 124 B.R. 169, 176 (D. Del. 1991). The *Delaware & Hudson Railway* court rejected the pre-Code "emergency" or "compelling circumstances" standard, finding the "sound business purpose" standard applicable and, discussing the requirements of that test under *McClung* and *Lionel*, observing:

> A non-exhaustive list of factors to consider in determining if there is a sound business purpose for the sale include: the proportionate value of the asset to the estate as a whole; the amount of elapsed time since the filing; the likelihood that a plan of reorganization will be proposed and confirmed in the near future; the effect of the proposed disposition of the future plan of reorganization; the amount of proceeds to be obtained from the sale versus appraised values of the Property; and whether the Asset is decreasing or increasing in value.

124 B.R. at 176.

42. The *Delaware & Hudson Railway* court further held that "[o]nce a court is satisfied there is a sound business reason or an emergency justifying the pre-confirmation sale, the court must also determine that the trustee has provided the interested parties with adequate and reasonable notice, that the sale price is fair and reasonable and that the Buyer is proceeding in good faith." *Id*.

43. Once the Debtors articulate a valid business justification, "[t]he business judgment rule 'is a presumption that in making the business decision the directors of a corporation acted on an informed basis, in good faith,' and in the honest belief that the action was in the best interests of the company." *In re S.N.A. Nut Co.*, 186 B.R. 98, 102 (Bankr. N.D. Ill 1995) (citations omitted); *In re Filene's Basement, LLC*, 11-13511 (KJC), 2014 WL 1713416, at *12 (Bankr. D. Del. Apr. 29, 2014) ("If a valid business justification exists, then a strong presumption follows that the

agreement at issue was negotiated in good faith and is in the best interests of the estate") (citations omitted); *Integrated Res.*, 147 B.R. at 656; *In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) ("a presumption of reasonableness attaches to a debtor's management decisions.").

44. At the Sale Hearing, the Debtors intend to demonstrate that a sound business purpose exists for the Sale, due and adequate notice has been provided, the purchase price reflects fair value, and the transaction has been proposed in good faith without collusion or undue influence, and relief under Bankruptcy Rules 6004(h) and 6004(d), among other things. The Debtors reserve the right to submit supplemental materials, including declarations, in connection with the Sale Hearing.

Emergency Consideration

45. 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 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." As set forth in this Motion, an immediate and orderly transition into chapter 11 is critical to the ability of the Debtors' to maximize the value of their estates, and this emergency Motion is necessary to prevent unnecessary delay in these chapter 11 cases. Furthermore, the failure to receive the requested relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors' operations and efforts at this critical juncture. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

46. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

47. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any

particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

Notice

48. The Debtors will provide notice of this Motion to the following parties: (a) the Office of the U.S. Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the administrative agent under the Debtors' prepetition asset-based revolving credit facility and counsel thereto; (d) the administrative agent under the Debtors' prepetition term loan facility and counsel thereto; (e) the administrative agent under the Debtors' prepetition real estate loan and counsel thereto; (f) the United States Attorney's Office for the Southern District of Texas; (g) the Internal Revenue Service; (h) the United States Securities and Exchange Commission; (i) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (j) the state attorneys general for states in which the Debtors conduct business; and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

49. No prior motion for the relief requested herein has been made to this or any other court.

[*Remainder of page intentionally left blank.*]

WHEREFORE, the Debtors respectfully request that the Court enter the Bidding Procedures Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Houston, Texas
July 24, 2020

/s/ Paul D. Moak

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Proposed Co-Counsel to the Debtors
and Debtors in Possession

Certificate of Service

I certify that on July 24, 2020, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Paul D. Moak
Paul D. Moak

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. __**

ORDER (I) APPROVING THE BIDDING PROCEDURES WITH RESPECT TO CERTAIN OF THE DEBTORS' FRACKING EQUIPMENT AND INTELLECTUAL PROPERTY, (II) SCHEDULING AN AUCTION AND A SALE HEARING, (IV) APPROVING THE FORM AND MANNER OF NOTICES RELATED THERETO, (V) APPROVING CONTRACT ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (VI) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (the "Debtors"), for entry of an order (this "Order"), (a) authorizing and approving the Bidding Procedures for the Sale of the Assets; (b) establishing certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any; (c) approving the form and manner of notice of the Auction, if any, and the Sale Hearing; (d) approving the Assumption and Assignment Procedures for the assumption and assignment of certain executory contracts and unexpired leases and related cure amounts; and (e) granting related relief, all 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 this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate; and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, THE COURT HEREBY FINDS THAT:

1. 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 proceeding pursuant to Bankruptcy Rule 9014. To the extent that 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.

2. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order of Reference to Bankruptcy Judges*, General Order 2012-6 (S.D. Tex. May 24, 2012) (Hinojosa, C.J.). Venue is proper in this district and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. Good and sufficient notice of the Motion, the Bidding Procedures, and the relief sought in the Motion has been given under the circumstances, and no other or further notice is required except as set forth herein. A reasonable opportunity to object or be heard regarding the relief provided herein has been afforded to parties in interest.

4. The bases for the relief requested in the Motion are: (i) sections 105, 363, 503, and 507 of the Bankruptcy Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"); and (ii) Rules 2002, 6004, 6006, 9007, 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 2002-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Local Rules").

5. The Debtors have articulated good and sufficient reasons for this Court to: (a) authorizing the Debtors to enter into the Stalking Horse Agreement (b) approve the Bidding Procedures for the Sale of the Assets; (c) establishing certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any; (d) approving the form and manner of notice of the Auction, if any, and the Sale Hearing; (f) approve the Assumption and Assignment Procedures for the assumption and assignment of certain executory contracts and unexpired leases and related cure amounts; and (f) granting related relief.

6. The Bidding Procedures attached hereto as **Exhibit 2** are fair, reasonable, appropriate, designed to maximize value from the consummation of the Transaction under the circumstances, and consistent with the Debtors' exercise of their respective fiduciary duties under applicable law.

7. The Debtors have demonstrated a compelling and sound business justification for the Court to enter this Order and thereby: (a) approve the Bidding Procedures for the Sale of the Assets; (b) establishing certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any; (c) approving the form and manner of notice of the Auction, if any, and the Sale Hearing (including the Auction and Sale Notice attached hereto as **Exhibit 3)**; (d) approve the Assumption and Assignment Procedures for the assumption and assignment of certain executory contracts and unexpired leases and related cure amounts; and (e) granting related relief. Such

compelling and sound business justification, which was set forth in the Motion, the First Day Declaration, and on the record at the Hearing, are incorporated herein by reference and, among other things, form the basis for the findings of fact and conclusions of law set forth herein.

8. The Stalking Horse Agreement attached as **Exhibit 1** hereto is fair and reasonable and provides a benefit to the Debtors' estates and stakeholders.

9. The legal and factual bases set forth in the Motion establish just cause for the relief granted herein. Entry of this Order is in the best interests of the Debtors and their estates, creditors, interest holders, and all other parties in interest.

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Motion or by stipulation filed with the Court are overruled.

I. Important Dates and Deadlines.

Date	Event
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders Deadline	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
File Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Objection Deadline	August 13, 2020, at 4:00 p.m. (prevailing Central Time)
Sale Hearing	No later than August 14, 2020

3. **Notice of Qualified Bidder Deadline**. August 11, 2020, at 7:00 p.m. (prevailing Central Time), is the date and time the Debtors shall provide to bidders that their Bid is a Qualified Bid. If any Bid is determined by the Debtors not to be a Qualified Bid, the Potential Bidder shall be notified by the Debtors, **and shall have until the Auction**, to modify its Bid to increase the Purchase Price or otherwise improve the terms of the Bid for the Debtors; provided that any Qualified Bid may be improved at the Auction as set forth herein.

4. **Auction**. August 12, 2020, at a time to be determined, is the date and time the Auction, if any, which will be held by remote video as will be indicated in the Auction Notice or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties. As soon as reasonably practicable after the conclusion of the Auction, the Debtors will provide notice of the Winning Bidder.

5. **Sale Hearing**. **No later than August 14, 2020**, is the date for the hearing to consider the consummation of the Transaction contemplated by the Winning Bid.

6. **Transaction Objections**. Objections to the Transaction, if any, must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, (c) be filed with the Court and served so as to be ***actually received*** **by no later than August 13, 2020 at 4:00 p.m.** (prevailing Central Time) on (i) the Debtors, 11211 Farm to Market 2920 Road, Tomball, Texas 77375, Attn: John Bakht (generalcounsel@bjservices.com); (ii) proposed counsel to the Debtors, (A) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Joshua A. Sussberg (joshua.sussberg@kirkland.com) and Christopher T. Greco (cgreco@kirkland.com) and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha G. Lawrence (samantha.lawrence@kirkland.com) and Joshua M. Altman (josh.altman@kirkland.com), and (B) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056,

Attn.: Paul D. Moak (pmoak@grayreed.com) and Amber M. Carson (acarson@grayreed.com); (iii) the Office of The United States Trustee, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn.: Hector Duran (hector.duran.jr.@usdoj.gov) and Stephen Statham (stephen.statham@usdoj.gov); (iv) counsel to the Prepetition ABL Lenders, Sidley Austin LLP, One South Dearborn, Chicago, Illinois 60603, Attn: Dennis Twomey (dtwomey@sidley.com), Herschel Hamner (hhamner@sidley.com), and Alyssa Russell (alyssa.russell@sidley.com); (v) counsel to the Equipment Term Loan Lenders, (A) Choate, Hall & Stewart LLP, 2 International Place, Boston, Massachusetts 02110, Attn: John Ventola (jventola@choate.com) and (B) DLA Piper LLP, 1201 North Market Street, Suite 2100, Wilmington, Delaware 19801, Attn: Stuart Brown (stuart.brown@dlapiper.com); (vi) counsel to CSL, Winston & Strawn LLP, 35 West Wacker Drive, Chicago, Illinois 60601, Attn: Dan McGuire (dmcguire@winston.com); and (vii) counsel to the Real Estate Term Loan Lenders, Sheppard, Mullin, Richter & Hampton LLP, 70 West Madison Street, 48th Floor, Chicago, Illinois 60602 Attn: Justin Bernbrock (jbernbrock@sheppardmullin.com), and (viii) any other party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Objection Notice Parties").

II. Auction, Bidding Procedures, and Related Relief.

7. The Bidding Procedures, attached hereto as **Exhibit 2**, are incorporated herein and are hereby approved in their entirety, and the Bidding Procedures shall govern the submission, receipt, and analysis of all Bids relating to any Transaction. Any party desiring to submit a Bid shall comply with the Bidding Procedures and this Order. The Debtors are authorized to take any and all actions necessary to implement the Bidding Procedures.

8. At the Auction, the Debtors may: (a) select, in their business judgment, pursuant to the Bidding Procedures, the highest or otherwise best Bid and the Winning Bidder or Backup

Bidder; and (b) reject any Bid (regardless of whether such Bid is a Qualified Bid) that, in the Debtors' business judgment, is (i) inadequate, insufficient, or not the highest or best Bid, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, or the Bidding Procedures, or (iii) contrary to, or otherwise not in the best interests of, the Debtors' estates, affected stakeholders, or other parties in interest.

III. Assumption and Assignment Procedures.

9. On a date no later than seven[3] (7) days prior to the Sale Hearing, the Debtors shall file with the Court the Assumption and Assignment Notice attached hereto as **Exhibit 3**, which shall set forth, among other things: (i) the Contract or Contracts to be assumed; (ii) the names and addresses of the counterparties to such Contracts; (iii) the Assignee, if applicable; (iv) the Assumption Date; (v) the proposed Cure Costs, if any for each such Contract; (vi) a description of any material amendments to the Contract made outside of the ordinary course of business; and (vii) the deadlines and procedures for filing objections to the Assumption and Assignment Notice.

10. The Debtors will cause the Assumption and Assignment Notice to be served (i) by email (or if no email is known, by overnight mail) upon the Contract counterparties affected by the Assumption and Assignment Notice at the address set forth in the notice provision of the applicable Contract (and their counsel, if known). To the extent the Debtors seek to assume and assign a lease of non-residential real property, the Debtors will, at the request of the applicable lease counterparty, use commercially reasonable efforts to provide evidence thereof to such applicable lease counterparty (and their counsel, if known) thereby demonstrating that the assignee

[3] The Debtors shall work with each Potential Bidder to determine what Contracts such bidders are likely to assume in advance of the Bid Deadline. The Debtors will serve the Assumption and Assignment Notice (and adequate assurance information) on all potential counterparties as soon as reasonably practicable to the extent not known prior to the Bid Deadline.

of the lease has the ability to comply with the requirements of adequate assurance of future performance.

11. Parties seeking to object must file an Assumption Objection so that such Assumption Objection is filed with the Court and **actually received two (2) days prior to the Sale Hearing** and served on the Notice Parties. If no objection to the assumption of any Contract is timely filed, each Contract shall be assumed as of the Assumption Date set forth in the applicable Assumption and Assignment Procedures or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree, and the proposed cure amount shall be binding on all counterparties to such Contract and no amount in excess thereof shall be paid for cure purposes; *provided*, *however*, that the Assumption Date for a lease of nonresidential real property shall not occur earlier than the date the Debtors filed and served the applicable Assumption and Assignment Notice.

12. If the Assumed Contract Counterparty does not file and serve an Assumption Objection or supplemental Assumption Objection in a manner that is consistent with the requirements set forth herein, and absent a subsequent order of the Court in connection with such objection establishing an alternative Cure Cost, (a) the Cure Costs, if any, set forth in the Notice of Assumption and Assignment shall be controlling, notwithstanding anything to the contrary in any Assumed Contract or any other document, and (b) the Assumed Contract Counterparty will be deemed to have consented to the assumption and assignment of the Assumed Contract and the Cure Costs, if any, and will be forever barred from asserting any other claims related to such Assumed Contract against the Debtors or the Winning Bidder, or the property of any of them.

13. The inclusion of an Assumed Contract on the Notice of Assumption and Assignment will not: (a) obligate the Debtors to assume any Assumed Contract listed thereon or

the Winning Bidder to take assignment of such Assumed Contract; or (b) constitute any admission or agreement of the Debtors that such Assumed Contract is an executory contract. Only those Assumed Contracts that are included on a schedule of assumed and acquired Contracts attached to a final asset purchase agreement with a Winning Bidder (including amendments or modifications to such schedules in accordance with such asset purchase agreement) will be assumed and assigned to the applicable Winning Bidder. No Assumed Contract shall be assumed absent closing on the assignment thereof to the applicable Winning Bidder.

14. With regard to Contracts to be assigned, pursuant to section 363(b) of the Bankruptcy Code, the assignment of any Contract shall: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights) and (ii) any and all claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guarantees of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, claims, and encumbrances that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s) (but only in connection with the assignment by the Debtor to the Assignee)), and (b) constitutes a legal, valid, and effective transfer of such Contract(s) and vests the applicable Assignee with all rights, titles, and interests to the applicable Contract(s). For the avoidance of doubt, all provisions of the applicable assigned Contract, including any provision limiting future assignment, shall be binding on the applicable Assignee after consummation of the assignment of such Contract by the Debtors to the Assignee.

IV. Miscellaneous.

15. The failure to include or reference a particular provision of the Bidding Procedures specifically in this Order shall not diminish or impair the effectiveness or enforceability of such a provision.

16. For the avoidance of doubt, (a) any assumption and assignment of any executory contract or unexpired lease in connection with the Sale of the Assets shall be consummated pursuant to a separate motion filed by the Debtors, the order approving the Transaction, any plan, or separate procedures governing the assumption and assignment of Contracts approved by this Court, and (b) any such assumption and assignment must comply with applicable bankruptcy law, including with respect to any requirement regarding adequate assurance of future performance.

17. In the event of any inconsistencies between this Order and the Motion and/or the Bidding Procedures, this Order shall govern in all respects.

18. Notwithstanding anything else contained herein, (a) any relief granted herein, including any payment to be made or authorization contained hereunder, shall be subject in all respects to the terms and conditions of, including all requirements imposed upon the Debtors under, any interim or final order of the Court in these chapter 11 cases authorizing the use of cash collateral (as may be modified, amended, or supplemented, the "Cash Collateral Orders") (including, without limitation, the budget required in connection therewith) and the Prepetition ABL Loan Documents (as defined in the Cash Collateral Orders) approved therein and (b) to the extent there is any inconsistency between the terms and conditions of such Cash Collateral Orders or Prepetition ABL Loan Documents and any action taken or proposed to be taken hereunder, the terms and conditions of such Cash Collateral Orders shall govern.

19. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

20. Notice of the Motion satisfies the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

21. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

22. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

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

Houston, Texas
Dated: _____, 2020

HON. MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Stalking Horse Agreement

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into this 24th day of July, 2020 (the "Effective Date") by and among **BJ Services, LLC**, a Delaware limited liability company ("BJS"), **BJ Services Holdings Canada ULC**, a British Columbia unlimited liability company ("BJC", and together with BJS, each a "Seller" and collectively, "Sellers"), and **TES Asset Acquisition, LLC**, a Delaware limited liability company ("Purchaser" and together with Sellers, collectively, the "Parties").

WITNESSETH:

WHEREAS Sellers and certain of their Affiliates are debtors-in-possession under title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code") and, on July 20, 2020 filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court"), commencing the jointly administered bankruptcy cases pending as *In re BJ Services, LLC, et al* Case No. 20-33627 (each, a "Bankruptcy Case" and collectively, the "Bankruptcy Cases");

WHEREAS, Sellers are engaged in, among other things, the use and implementation of the Purchased Assets (defined below) to provide hydraulic fracturing services in the United States and Canada (the "Fracturing Business");

WHEREAS, on July 21, 2020, the Bankruptcy Court granted an order authorizing BJC to act as the foreign representative of its estate for the purpose of BJC seeking recognition of its Bankruptcy Case by the Court of Queen's Bench of Alberta (the "Canadian Court");

WHEREAS, Sellers will request that the Canadian Court grant an order recognizing the Bankruptcy Case of BJC in Canada pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "CCAA");

WHEREAS, Sellers desire to sell and Purchaser desires to purchase from Sellers those certain assets of Sellers as more particularly described herein, in a sale authorized by the Bankruptcy Court pursuant to, inter alia, sections 105, 363, 365, 1123, 1129, 1141 and 1142 of the Bankruptcy Code, in accordance with the other applicable provisions of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure and the local rules for the Bankruptcy Court, all in accordance with and subject to the terms and conditions of this Agreement and subject to entry of the Sale Order and the Sale Recognition Order; and

WHEREAS, certain Affiliates of Purchaser have, as an inducement to Sellers to enter into this Agreement, executed an Equity Commitment Letter (the "Equity Commitment Letter") pursuant to which such Affiliates have agreed, subject to certain conditions set forth therein, to make an equity investment in Purchaser at the Closing, if any, in an amount of cash that, together with any other cash then held by Purchaser, will be equal to the Purchase Price.

NOW, THEREFORE, in consideration of the premises and the mutual covenants, representations and warranties herein contained, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 "Affiliates" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

Section 1.2 "Alternative Transaction" means any transaction (or series of transactions), whether direct or indirect, concerning a sale, merger, acquisition, issuance, financing, recapitalization, reorganization, liquidation or disposition of the Fracturing Business, the Purchased Assets or any material portion of the assets thereof (in any form of transaction, whether by merger, sale of assets or equity or otherwise); provided, however, that no such transaction will be considered to be an "Alternative Transaction" if such transaction would not prevent the Closing from occurring in accordance with the terms of this Agreement; and provided further, that the foregoing shall not include sales of inventory, equipment sales or other dispositions of immaterial or obsolete assets and licenses of intellectual property rights in the ordinary course of business.

Section 1.3 "Assumed Contracts" means those contracts set forth on Schedule 2.

Section 1.4 "Bidding Procedures" means the Bidding Procedures for the Sale of the Debtors' Fracking Equipment and Intellectual Property substantially in the form attached hereto as Exhibit B.

Section 1.5 "Bidding Procedures Order" means an order of the Bankruptcy Court approving the Bidding Procedures.

Section 1.6 "Equipment" means ancillary equipment, machinery, computers, furniture, furnishings, fixtures, office supplies, tools and related accessories primarily related to or primarily used by or in the Fracturing Business.

Section 1.7 "Financing Order" means an order authorizing the Debtors to utilize cash collateral or procure debtor-in-possession financing, as applicable.

Section 1.8 "Governmental Authority" means any court, administrative agency or any (i) national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, officials, ministers, Crown corporations, central bank, court, tribunal or dispute settlement panel, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) subdivision, agency, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

Section 1.9 "GST/HST" means any taxes imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder, or under any corresponding provincial legislation, including any provincial sales tax, value-added taxes, social services tax, or the provincial

component of any harmonized sales tax, and includes any interest, penalties or other additions thereto.

Section 1.10 "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the regulations promulgated thereunder.

Section 1.11 "Jobs in Progress Costs" means, as illustrated on Schedule 3, (x) any and all costs incurred by Sellers during the period between the Effective Date and 11:59 PM Central Time on the Closing Date in connection with the provision of (or preparation of provision of) hydraulic fracturing services to new well sites for which such services were not provided prior to the Effective Date, using any of (or in preparation for the use of), allocable to or otherwise related to the Purchased Assets, including but not limited to mobilization and transportation costs, costs of goods, freight, fuel, proppant or chemicals and amounts paid to and expenses incurred in connection with employees and contractors *plus* (y) a contribution margin equal to 15% of the costs incurred pursuant to clause (x) (the "Contribution Margin"). For the avoidance of doubt, Schedule 3 is included solely for illustrative purposes and shall not be deemed in any respect a calculation of Jobs in Progress Costs.

Section 1.12 "Law" means any federal, state, provincial, local, municipal, foreign or international, multinational or other law, statute, legislation, constitution, principle of common law, resolution, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, ruling, directive, pronouncement, determination, decision, opinion or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority.

Section 1.13 "Permitted Liens" means (a) Liens for taxes that are not yet due and payable or the nonpayment of which is permitted or required by the Bankruptcy Code, (b) Liens imposed by applicable Law and incurred in the ordinary course of business for obligations not yet due and payable, or the nonpayment of which is permitted or required by the Bankruptcy Code, to landlords, carriers, warehousemen, laborers, repairmen, materialmen and the like, (c) non-exclusive licenses to proprietary rights granted to customers and suppliers in the ordinary course of business and, in the case of certain patents set forth on Schedule 1, a non-exclusive license granted to Baker Hughes Incorporated and its affiliates pursuant to that certain Intellectual Property License Agreement, dated December 30, 2016, between BJS and Baker Hughes Incorporated, (d) any Liens that will be removed or released by operation of the Sale Order or the Sale Recognition Order and (e) minor imperfections of title and encumbrances disclosed in writing and reasonably acceptable to Purchaser, if any, that are *de minimis* and do not impair the value or interfere with the present or continued use of such property or asset.

Section 1.14 "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, labor union, estate, Governmental Authority or other entity or group.

Section 1.15 "Qualified Bid" has the meaning set forth in the Bidding Procedures.

Section 1.16 "Sale Order" shall be an order of the Bankruptcy Court, in form and substance reasonably acceptable to Purchaser and Sellers, approving the sale of the Purchased

Assets (including the assumption and assignment of the Assigned Contracts) to Purchaser free and clear of all Liens other than Permitted Liens.

Section 1.17 "Sale Recognition Order" shall be an order of the Canadian Court, in form and substance reasonably acceptable to Purchaser and Sellers recognizing the Sale Order.

ARTICLE II
PURCHASE AND SALE OF ASSETS

Section 2.1 Purchase of Assets. On and subject to the terms and conditions of this Agreement, the Sale Order and the Sale Recognition Order, at the Closing each Seller will sell, transfer, convey, assign and deliver to Purchaser, and Purchaser will purchase and acquire from each Seller, free and clear of all liens, mortgages, pledges, security interests, charges, claims, options or other encumbrances (collectively, "Liens") other than Permitted Liens, all of such Seller's right, title and interest, as of the Closing, in and to the Purchased Assets. For purposes hereof, the "Purchased Assets" shall mean:

(a) to the maximum extent permitted by the Bankruptcy Code and applicable Law, all Assumed Contracts (excluding any accounts receivable relating thereto with respect to periods prior to the Closing);

(b) (i) the intellectual property rights set forth on Schedule 1, (ii) the Assumed Contracts listed on Schedule 2, and (iii) the know-how, trade secrets and other unregistered intellectual property rights (including source code) owned by Sellers (expressly excluding trademarks, domain names, and patents) that exclusively relate to the items listed in Schedule 1 and Schedule 2 (the assets described in clauses (i) through (iii), collectively, the "Specified Assets");

(c) the M&E fleets set forth on Schedule 1 hereto and all other Equipment directly and specifically related thereto (the "M&E Assets"); and

(d) to the extent transferable under applicable Law, any visa-related rights maintained by any Seller for the benefit of any employees identified in writing by Purchaser prior to the date hereof in accordance with applicable law, the expense of which transfer shall be solely borne by Purchaser.

The Purchased Assets do not include, and Sellers shall retain, all of Sellers' assets not specifically identified in this Section 2.1 as being Purchased Assets (any such assets not specifically identified in this Section 2.1 as being Purchased Assets, the "Excluded Assets").

Section 2.2 Assumption of Liabilities. On and subject to the terms and conditions of this Agreement, the Sale Order and the Sale Recognition Order, as of and after the Closing, Purchaser shall assume, and Sellers shall convey, transfer and assign to Purchaser, only the following Liabilities of each Seller, each of which is integral to the value of the Purchased Assets:

(a) all Liabilities relating to the Purchased Assets that arise and accrue after the Closing, relate exclusively to periods following the Closing and are by their terms to be observed, paid, discharged, and performed following the Closing (in each case, except as otherwise provided

herein, not resulting in whole or in part from, arising out of, relating to, in the nature of, or caused by any pre-Closing breach, violation, breach of warranty, tort, strict liability, infringement or breach or violation of Law) (the "Assumed Liabilities"); and

(b) all Liabilities for which Purchaser has expressly agreed to be responsible in accordance with this Agreement.

Except as expressly provided above, Purchaser shall not assume or be liable for any other Liabilities of any Seller. For purposes hereof, "Liability" means any debt, damage, claim, liability, obligation, loss (whether lost business opportunity or measured as a multiple of earnings, book value, lost profits, diminution in value, revenues, cash flow, or otherwise), fines, costs, expenses, charges, interest, penalties, or commitment of any nature whatsoever (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, or due or to become due, or otherwise).

Section 2.3 Consideration. In consideration of the sale, transfer, conveyance, assignment and delivery of the Purchased Assets by Sellers to Purchaser, in addition to the Purchaser's payment of the Cure Costs and the Jobs in Progress Costs, Purchaser shall pay to BJS a total purchase price in the total amount of Thirty Million Dollars (USD $30,000,000) (the "Purchase Price"), of which Twelve Million Dollars (USD $12,000,000) shall be deemed to be in consideration for the Specified Assets, the Assumed Contracts and the visa-related rights (the "Specified Consideration") and Eighteen Million Dollars (USD $18,000,000) of which shall be deemed to be in consideration for the M&E Assets (the "M&E Consideration"). An amount equal to (x) the Purchase Price minus, (y) the Deposit, plus (z) the progress payment due on or about July 31, 2020 with respect to the Jereh Agreement (as defined on Schedule 2) (the "Jereh Payment") (to the extent paid by Seller prior to the Closing) (if any) shall be paid by Purchaser to Sellers by wire transfer of immediately available funds to one or more bank accounts designated by Sellers at the Closing (the "Closing Date Payment"). For greater certainty, the value of the Assumed Liabilities has been taken into account with respect to the determination of the Purchase Price payable pursuant to this Section 2.3 and the assumption of such Assumed Liabilities by the Purchaser does not constitute separate or additional considerations hereunder.

Section 2.4 Deposit.

(a) Purchaser will, by no later than 5:00 PM Central Time on July 27, 2020, make an earnest money deposit with Citibank, N.A. ("Escrow Agent") in the amount of ten percent (10%) of the Purchase Price (the "Deposit"), by wire transfer of immediately available funds for deposit into a separate escrow account (the "Deposit Escrow Account"), established pursuant to the escrow agreement by and among Sellers, Purchaser and the Escrow Agent, substantially in the form attached hereto as Exhibit A (the "Deposit Escrow Agreement"). The Deposit shall not be subject to any lien, attachment, trustee process, or any other judicial process of any creditor of any Seller or Purchaser and shall be applied against payment of the Purchase Price on the Closing Date.

(b) If this Agreement has been terminated by any Seller pursuant to Section 7.1(c)(i) or Section 7.1(c)(ii) (or by Purchaser pursuant to Section 7.1(b)(ii) in circumstances where any Seller would be entitled to terminate this Agreement pursuant to Section 7.1(c)(i) or Section 7.1(c)(ii)), then Sellers shall retain the Deposit together with all received investment

income, if any. For the avoidance of doubt and notwithstanding anything herein to the contrary, if this Agreement is terminated as contemplated by this Section 2.4(b) prior to the time such Deposit is actually made to the Escrow Agent, Sellers shall be entitled to be paid, and Purchaser shall be obligated to pay to Sellers, an amount equal to the Deposit, and such obligation shall survive the termination of this Agreement.

(c) If this Agreement has been terminated by either of the Sellers, on the one hand, or Purchaser on the other hand, in each case other than as contemplated by Section 2.4(b), then the Deposit, together with all received investment income, if any, shall be returned to Purchaser within five (5) business days after such termination.

(d) The Parties agree that Sellers' right to retain the Deposit, as set forth in Section 2.4(b), is not a penalty, but rather is liquidated damages in a reasonable amount that will compensate Sellers for their respective efforts and resources expended and the opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated hereby, which amount would otherwise be impossible to calculate with precision. Notwithstanding anything in this Agreement to the contrary, (i) Sellers' right to retain the Deposit in accordance with the terms of hereof shall be the sole and exclusive remedy of Sellers and their Affiliates against Purchaser or any of its Affiliates or any of their respective members, partners, officers, managers or representatives for any and all losses that may be suffered based upon, resulting from or arising out of Purchaser's failure to consummate the transactions contemplated by this Agreement, and (ii) upon Sellers' retention of the Deposit, none of Purchaser or any of its Affiliates or any of their respective members, partners, officers, managers or representatives shall have any further liability or obligation relating to or arising out of the circumstances giving rise to Sellers' right to retain the Deposit or otherwise under this Agreement or any other document contemplated hereby. If Sellers elect to retain the Deposit, then Sellers shall not seek any (x) equitable relief or equitable remedies of any kind whatsoever or (y) money damages or any other recovery, judgment, or damages of any kind, including consequential, indirect, special or punitive damages, in each case, relating to or arising out of Purchaser's failure to consummate the transactions contemplated by this Agreement or any other document contemplated hereby. Other than Sellers' right to retain the Deposit, Sellers' sole and exclusive remedy with respect to any matters under this Agreement shall be to seek specific performance in accordance with Section 7.14.

(e) If the Closing occurs, the Deposit shall be transferred to Sellers.

Section 2.5 Jobs in Progress Costs.

(a) Within 10 business days after the Closing Date, Sellers shall deliver to Purchaser a statement (the "Jobs in Progress Statement") setting forth Sellers' calculation of the Jobs in Progress Costs (inclusive of the Contribution Margin). Within five business days from the final determination of the Jobs in Progress Costs (as determined pursuant to Section 2.5(b) and Section 2.5(c)), Purchaser shall pay to Sellers, by wire transfer of immediately available funds to such account or accounts of Sellers as specified by BJS in writing, an amount equal to the Jobs in Progress Costs.

(b) If Purchaser does not deliver a written notice disputing Sellers' calculation of the Jobs in Progress Costs included in the Jobs in Progress Statement and providing the basis of such dispute in reasonable detail ("Dispute Notice") within five business days of receiving the Jobs in Progress Statement, Purchaser shall be deemed to have agreed with the Jobs in Progress Statement and the calculation of the Jobs in Progress Costs set forth in the Jobs in Progress Statement shall be deemed final and settled for purposes of this Agreement.

(c) If Purchaser delivers a Dispute Notice to Sellers within five business days of receiving the Jobs in Progress Statement, then Sellers and Purchaser shall negotiate in good faith to resolve the dispute. If, after five days from the date a Dispute Notice is given hereunder, Sellers and Purchaser fail to agree on the resolution of the dispute, then a nationally recognized certified public accounting firm jointly selected by Purchaser and BJS that is not then engaged to perform accounting, tax or auditing services for Purchaser or BJS (the "Arbitrating Accountant") shall be jointly engaged as promptly as practicable to arbitrate the dispute. Within ten days after the Arbitrating Accountant accepts the engagement, as evidenced by an engagement letter signed by the Arbitrating Accountant and the Parties (the date of such acceptance being referred to herein as the "Engagement Date"), Purchaser, on the one hand, and Sellers, on the other hand, shall prepare and submit to the Arbitrating Accountant a written brief stating their respective positions on the disputed issue(s). Within ten days thereafter, Purchaser, on the one hand, and Sellers, on the other hand, shall prepare and submit to the Arbitrating Accountant a reply brief to the brief submitted by the other Party or Parties, as applicable. Within thirty days after the Engagement Date, the Arbitrating Accountant shall render its final decision based solely on the materials submitted by each Party. When acting pursuant to this Section 2.5(c), the Arbitrating Accountant shall determine whether and to what extent, if any, Sellers' calculation of the Jobs in Progress Costs (as set forth in the Jobs in Progress Statement) requires adjustment in accordance with this Agreement. The Arbitrating Accountant shall address only those issues in dispute, and may not assign a value to any item greater than the greatest value for such item claimed by a Party or less than the smallest value for such item claimed by a Party. In addition, the Arbitrating Accountant shall apportion its fees and expenses between Sellers, on the one hand, and Purchaser, on the other hand, in proportion to the difference between the relative position of each of them and the Arbitrating Accountant's ultimate determination with respect to the amount of the Jobs in Progress Costs. The decision and award of the Arbitrating Accountant, including the apportionment of its fees, shall be final and binding on the Parties and shall be subject to confirmation and entry of judgment in accordance with applicable Law. In no event shall the Arbitrating Accountant award either Party consequential, incidental, punitive or any other damages. The Jobs in Progress Costs as and if determined pursuant to the terms of this Section 2.5(c) shall be deemed final and settled for purposes of this Agreement.

Section 2.6 GST/HST. The Purchase Price is exclusive of any GST/HST and any GST/HST incurred in connection with the purchase and sale of the Purchased Assets contemplated by this Agreement shall be borne by Purchaser and shall be paid to Sellers in compliance with applicable law. Purchaser further agrees to pay any and all amounts of GST/HST payable in respect of the acquisition of the Purchased Assets under the legislation of any province of Canada, and the Parties agree to attend to the remittance thereof in accordance with such legislation.

ARTICLE III
CLOSING

Section 3.1 Closing. The closing of the transactions contemplated by this Agreement ("Closing") shall occur within two (2) days after the conditions precedent set forth in Article VI (other than conditions that by their terms or nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions) have been satisfied or waived ("Closing Date") or at such other time that is mutually agreeable to Sellers and Purchaser, by a mutual exchange of electronic documents. Sellers and Purchaser agree that Closing documents that do not require originally signed copies may be signed and exchanged by electronic mail.

Section 3.2 Assumed Contracts. At the Closing and pursuant to section 365 of the Bankruptcy Code, the Sale Order and the Sale Recognition Order, Sellers shall assume and assign to Purchaser, and Purchaser shall assume from such Sellers, the Assumed Contracts. All cure costs, including all actual or pecuniary losses that have resulted from any defaults or breaches under such Assumed Contracts (the "Cure Costs"), shall be paid by Purchaser at the Closing in accordance with this Agreement and section 365 of the Bankruptcy Code.

Section 3.3 Closing Deliveries by Sellers. At or prior to the Closing, Sellers shall deliver to Purchaser:

(a) assignment and assumption agreements necessary to transfer the Purchased Assets in form and substance reasonably acceptable to Purchaser and Sellers (the "Assignment and Assumption Agreements") duly executed by the applicable Sellers;

(b) a certificate of non-foreign status executed by BJS that meets the requirements set forth in U.S. Treasury Regulations Section 1.1445-2(b)(2); and

(c) a joint written instruction, duly executed by Sellers, instructing the Escrow Agent to release to Sellers by wire transfer of immediately available funds, the Deposit.

Section 3.4 Closing Deliveries by Purchaser. At or prior to the Closing, Purchaser shall deliver to Sellers:

(a) the Closing Date Payment;

(b) the Assignment and Assumption Agreements duly executed by Purchaser; and

(c) a joint written instruction, duly executed by Purchaser, instructing the Escrow Agent to release to Sellers by wire transfer of immediately available funds, the Deposit.

ARTICLE IV
ADDITIONAL AGREEMENTS

Section 4.1 Bidding Procedures Motion. As soon as reasonably practicable following commencement of the Bankruptcy Cases (but in no event later than the day following the effective

date of this Agreement), the Sellers shall file a motion seeking entry of the Bidding Procedures Order.

Section 4.2 Bidding Procedures. The bidding procedures, if any, to be utilized with respect to this Agreement shall be those approved in the *Bidding Procedures Order*. Purchaser agrees and acknowledges that, notwithstanding anything in this Agreement to the contrary, Sellers, including through their respective Affiliates, advisors and representatives, are and may continue soliciting inquiries, proposals, or offers from third parties for the Purchased Assets in connection with any Alternative Transaction, including through an investment banker or other means. Nothing in this Agreement shall prevent Sellers from modifying the bidding procedures as necessary or appropriate to maximize value for Sellers' respective estates in accordance with Sellers' fiduciary obligations. Within five days after entry of the Sale Order (or as soon as reasonably practicable subject to Court availability), BJC shall file an application with the Canadian Court seeking the Sale Recognition Order. For purposes of clarity, Purchaser agrees and acknowledges that, notwithstanding anything in this Agreement to the contrary, Sellers, including through their respective Affiliates, advisors and representatives, are and may continue soliciting inquiries, proposals, or offers from third parties for the Purchased Assets in connection with any Alternative Transaction.

Section 4.3 Auction. Subject to the terms of the *Bidding Procedures Order*, on or prior to August 12, 2020 (or such later date as agreed in writing by all of the Parties hereto, which may be by email correspondence among counsel), the Sellers shall commence the auction (an "Auction") contemplated by the Bidding Procedures, if any Qualified Bid is submitted prior to the Bid Deadline. For the avoidance of doubt, Sellers may conduct an auction process utilizing dates consistent with this Agreement even if approval of such process is not required by the Bankruptcy Court. Subject to the terms of the *Bidding Procedures Order*, on or prior to August 10, 2020 (or such later date as agreed in writing by all of the Parties hereto, which may be by email correspondence among counsel) (the "Bid Deadline"), any and all Qualified Bids shall have been submitted pursuant to the *Bidding Procedures Order*.

Section 4.4 Sale Hearing. The *Bidding Procedures Order* shall contemplate the occurrence of a Sale Hearing (as defined therein) on or prior to August 14, 2020.

Section 4.5 Operations Pending Closing. From the date of this Agreement until the earlier of the termination of this Agreement or the Closing, and taking into account the commencement and pendency of the Bankruptcy Cases and, except with respect to Section 4.5(a), Sellers' liquidity and financing limitations associated therewith, except (x) as required by applicable Law, (y) as otherwise expressly required by terms of this Agreement or (z) with the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed), Sellers shall operate the Purchased Assets in the ordinary course of business. Without limiting the generality of or any exception to the foregoing, Sellers shall, from the date of this Agreement through the Closing:

(a) operate the M&E Assets consistent with their operation immediately prior to the date of this Agreement;

(b) service the customers of the M&E Assets in the ordinary course of business;

(c) maintain the Purchased Assets in good operating condition, ordinary wear and tear excepted, in the ordinary course of business; and

(d) not terminate (other than by expiration), amend or modify the terms of (other than by automatic extension or renewal) any Assumed Contract (other than any purchase orders).

The Parties acknowledge and agree that Sellers shall be subject to any limitations on operations imposed by the Bankruptcy Court or the Bankruptcy Code.

Section 4.6 Background Licenses to Mixed-Use Intellectual Property.

(a) With respect to intellectual property rights (other than trademarks and domain names and the rights marked as "Excluded IP Rights" on Schedule 1, but expressly including the BJ Services Marks) included in the Purchased Assets, Purchaser hereby grants to Sellers a non-exclusive, royalty-free, fully paid up, irrevocable, worldwide, perpetual (subject to the next sentence) right and license to use such intellectual property rights for the sole and exclusive purpose of performing any remaining obligations of Sellers under the existing scope of any existing contracts to which a Seller (or its respective successor(s) and/or assign(s)) is a party (so long as such contract remains valid and enforceable, and is not rejected under 365(a) of the Bankruptcy Code). At such time as none of the Sellers (or any of their respective successor(s) and/or assign(s)) has any such further obligations, the foregoing license shall terminate.

(b) In addition, with respect to intellectual property rights (other than trademarks and domain names and the rights marked as "Excluded IP Rights" on Schedule 1) included in the Purchased Assets, Purchaser hereby grants to Sellers a non-exclusive, royalty-free, fully paid up, irrevocable, worldwide, perpetual right and license to use such intellectual property rights for the sole purpose of operating or maintaining any existing machinery, systems or equipment where such use is substantially similar to the historical use of such machinery, systems and equipment.

(c) The foregoing licenses (subject to each of the limitations set forth in the preceding paragraphs) shall be transferable or sublicenseable to any purchaser or purchasers of assets relating to the Sellers' retained businesses or relating to any line of business therein, including in connection with any acquirer pursuant to a plan of reorganization.

(d) In addition, Purchaser hereby grants to Sellers a non-exclusive, royalty-free, fully paid up, irrevocable, worldwide, perpetual (subject to the next sentence) right and license to use the BJ Services Marks for purposes of the wind-down of Sellers' remaining business and the sale of any remaining assets of Sellers, including the conduct of any court-ordered sale process or any other sale pursuant to section 363 of the Bankruptcy Code. At such time as none of the Sellers has any further business operations or any further assets to be sold, the foregoing license shall terminate. Further, Purchaser hereby grants to any purchaser or purchasers of Excluded Assets, to the extent consented to by Sellers, a non-exclusive, royalty free, fully paid up, irrevocable, worldwide, perpetual right and license to use the BJ Services Marks for a reasonable period of time after the purchase of any Excluded Asset from Sellers or their designees in order to permit the purchaser of such asset(s) to remove or cover any existing branding from such asset(s).

(e) With respect to intellectual property rights, other than patents, trademarks and domain names, owned by any of the Sellers, not included in the Purchased Assets and used in or reasonably necessary for the operation of the Purchased Assets, Sellers hereby grant to Purchaser a non-exclusive, royalty-free, fully paid up, irrevocable, worldwide, perpetual right and license to use such intellectual property rights for use in or operation of the Purchased Assets.

Section 4.7 Bankruptcy Actions.

(a) Purchaser shall promptly take all actions as are reasonably requested by any Seller to assist in obtaining the Bankruptcy Court's entry of the Sale Order or any other order reasonably necessary in connection with the transactions contemplated by this Agreement (including the Sale Recognition Order) as promptly as practicable, including furnishing affidavits, financial information, or other documents or information for filing with the Bankruptcy Court and making such employees and advisors or representatives of Purchaser and its Affiliates available to testify before the Bankruptcy Court for the purposes of, among other things providing necessary assurances of performance by Purchaser under this Agreement, and demonstrating that Purchaser is a "good faith" purchaser under section 363(m) of the Bankruptcy Code, as well as demonstrating Purchaser's ability to pay and perform or otherwise satisfy any Assumed Liabilities following the Closing.

(b) Each of Sellers and Purchaser shall (i) appear formally or informally in the Bankruptcy Court if reasonably requested by any of the other Parties or required by the Bankruptcy Court in connection with the transactions contemplated by this Agreement, the Sale Order or the Sale Recognition Order, and (ii) keep the other Parties reasonably apprised of the status of material matters related thereto, including, upon reasonable request promptly furnishing the other with copies of notices or other communications received by Sellers from the Bankruptcy Court or any third party and/or any Governmental Authority with respect to the transactions contemplated by this Agreement, the Sale Order or the Sale Recognition Order.

(c) The Sellers' obligations under this Agreement and in connection with the transactions contemplated hereby and thereby are subject to entry of and, to the extent entered, the Sale Order and the Sale Recognition Order. Nothing in this Agreement shall require any Seller to give testimony to or submit a motion to the Bankruptcy Court that is untruthful or to violate any duty of candor or other fiduciary duty to the Bankruptcy Court or its stakeholders.

(d) Sellers and Purchaser acknowledge that this Agreement and the sale of the Purchased Assets are subject to higher and better bids, the *Bidding Procedures Order*, Bankruptcy Court approval and Canadian Court approval. Sellers and Purchaser acknowledge that Sellers must take reasonable steps to demonstrate that they have sought to obtain the highest or otherwise best transaction in connection with the Purchased Assets, including giving notice thereof to the creditors of Sellers and other interested parties, providing information about Sellers to prospective bidders, entertaining higher and better offers from such prospective bidders, and, in the event that additional qualified prospective bidders desire to bid for the Purchased Assets, determining in Sellers' business judgment to conduct an Auction. The bidding procedures, if any, to be employed with respect to this Agreement and any Auction shall be those approved in the *Bidding Procedures Order*.

(e) Notwithstanding any other provision of this Agreement to the contrary, Purchaser acknowledges that Sellers and their respective Affiliates and advisors or representatives are and may continue soliciting inquiries, proposals, or offers for the Purchased Assets in connection with any Alternative Transaction.

(f) Purchaser shall provide adequate assurance of future performance as required under section 365 of the Bankruptcy Code for the Assumed Contracts. Purchaser agrees that it will take all actions reasonably required to assist in obtaining a Bankruptcy Court finding that there has been an adequate demonstration of adequate assurance of future performance under the Assumed Contracts, such as furnishing affidavits, non-confidential financial information, and other documents or information for filing with the Bankruptcy Court and making Purchaser's advisors and representatives available to testify before the Bankruptcy Court.

(g) If an Auction is conducted, and Purchaser is not the prevailing party at the conclusion of such Auction (such prevailing party, the "Successful Bidder") but is the next highest bidder at the Auction, Purchaser shall be required to serve as a back-up bidder (the "Backup Bidder") and keep Purchaser's bid to consummate the transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement (as the same may be revised in the Auction) open and irrevocable until this Agreement is otherwise terminated. If the Successful Bidder fails to consummate the applicable transaction as a result of a breach or failure to perform on the part of such Successful Bidder, the Backup Bidder will be deemed to have the new prevailing bid, and Sellers may consummate the transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement (as the same may have been improved upon in the Auction).

Section 4.8 Regulatory Approvals.

(a) Subject to the terms and conditions of this Agreement, each Party shall, and shall cause its Affiliates to, use its reasonable best efforts to, to the extent necessary, (i) file (A) any required Notification and Report Form pursuant to HSR Act, with respect to the transactions contemplated by this Agreement no later than ten (10) business days after the date hereof, and (B) any other filing or notification required pursuant to any other competition or antitrust related legal or regulatory requirements of domestic and/or foreign jurisdictions, commissions or governing bodies (along with the HSR Act, "Antitrust Laws") with respect to the transactions contemplated by this Agreement as soon as reasonably practicable following the date hereof; (ii) supply as promptly as practicable any additional information and documentary material that may be requested or required pursuant to any Antitrust Laws, including a request for additional information or documentary material issued pursuant to the HSR Act (a "second request"); and (iii) request early termination of the initial waiting period under the HSR Act, and otherwise cause the expiration or termination of the applicable waiting periods under the HSR Act or any other Antitrust Laws as soon as practicable. For the avoidance of doubt, Purchaser will be responsible for the payment of any filing fees in connection with any notifications required by the HSR Act or any other Antitrust Laws.

(b) In connection with the efforts referenced in this Section 6.2(c) to obtain all requisite approvals and authorizations for the transactions contemplated by this Agreement under any Antitrust Laws, each Party shall use reasonable best efforts to (i) cooperate with each other in

connection with any filing or submission; (ii) supply the other Parties with any information that may be required in order to make such filings, (iii) keep the other Parties informed in all material respects of any substantive communication received by such Party from, or given by such Party to, any Governmental Authority regarding any of the transactions contemplated by this Agreement; and (iv) to the extent permitted by applicable Law and reasonably practicable, permit the other Parties to review any substantive communication given to it by, and consult with each other in advance of any meeting or conference with, any Governmental Authority. Neither Sellers nor Purchaser will participate in any substantive meeting or discussion with any Governmental Authority with respect of any filings, applications, investigation, or other inquiry without giving the other prior notice of the meeting or discussion and, to the extent permitted by the relevant Governmental Authority and reasonably practicable, the opportunity to attend and participate in such meeting or discussion (which, at the request of either Sellers or the Purchaser, will be limited to outside antitrust counsel only). Sellers will have the right to review (subject to appropriate redactions for confidentiality and attorney-client privilege concerns) and approve the content of any presentations, white papers, or other written materials to be submitted to any Governmental Authority in advance of any such submission.

(c) Without limiting the generality of this Section 4.5(c), if any objections are asserted with respect to the transactions contemplated by this Agreement under any Antitrust Laws or if any suit is instituted or threatened by any Governmental Authority challenging any of the transactions contemplated by this Agreement as violative of any Antitrust Laws, then each of the Parties shall use reasonable best efforts to resolve such objections or challenges as such Governmental Authority may have to such transactions. Notwithstanding the foregoing, reasonable best efforts on the part of the Purchaser and its Affiliates includes, but is not limited to, (i) committing to or effecting by consent decree, hold separate order or otherwise, the sale or disposition of any assets, securities, rights, products, leases, business or other properties, operations or interests (including entering into customary ancillary agreements relating to any such sale, divestiture, licensing or disposition of such assets or businesses), and (ii) contesting, resisting or seeking to have vacated, lifted reversed or overturned any order, whether temporary, preliminary or permanent that prohibits, prevents or restricts the consummation of the transactions contemplated by this Agreement.

(d) Purchaser will not, and will not permit any of its Affiliates to, acquire or agree to acquire (by merging or consolidating with, or by purchasing a substantial portion of the assets of or equity in, or by any other manner), any Person or portion thereof, or otherwise acquire or agree to acquire any assets, if the entering into a definitive agreement relating to, or the consummation of, such acquisition, merger or consolidation could reasonably be expected to (i) impose any delay in the obtaining of, or increase the risk of not obtaining, any permits, orders or other approvals of any Governmental Authority necessary to consummate the transactions contemplated by this Agreement or the expiration or termination of any applicable waiting period, (ii) increase the risk of any Governmental Authority entering an order prohibiting the consummation of the transactions contemplated by this Agreement or (iii) otherwise delay the consummation of the transactions contemplated by this Agreement.

Section 4.9 Jereh Payment. The Sellers shall, between the date of this Agreement and the Closing, use their reasonable efforts to cause Jereh (as defined in Schedule 2) to extend the

date by which the Jereh Payment must be made such that the Jereh Payment may be made after the Closing has occurred.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of Sellers. Each Seller (jointly and severally with the other Sellers) represents and warrants to Purchaser that the following statements are true and correct as of the date hereof and as of the Closing Date:

(a) Organization. Such Seller is an entity duly incorporated or organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, as applicable, and is qualified to do business in each other jurisdiction where such Seller's business related to the Purchased Assets requires it to be so qualified. Such Seller has all requisite power and authority to own, lease and operate its properties and, taking into account the commencement and pendency of the Bankruptcy Cases and Sellers' liquidity and financing limitations associated therewith, to carry on its applicable portion of the operations associated with the Purchased Assets.

(b) Authorization. Subject to requisite Bankruptcy Court and Canadian Court approvals, such Seller has all requisite corporate power and authority to execute and deliver this Agreement and any documents and agreements to be executed and delivered in connection herewith (the "Ancillary Deliverables") to which such Seller is a party, to perform its obligations hereunder and thereunder, and to carry on the operations of the Purchased Assets as it is now being conducted. Subject to requisite Bankruptcy Court and Canadian Court approvals, and assuming this Agreement is a valid and binding obligation of Purchaser, the execution and delivery of this Agreement and the Ancillary Deliverables and the consummation of the transactions contemplated hereby or thereby by such Seller have been duly authorized by all necessary action on the part of such Seller, and no further action is necessary for such Seller to execute and deliver this Agreement and the Ancillary Deliverables to which such Seller is a party and to perform the obligations of such Seller hereunder and thereunder. This Agreement and the Ancillary Deliverables to which such Seller is a party have been duly executed and delivered by such Seller and constitute the legal, valid and binding obligations of such Seller enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application referring to or affecting the enforcement of creditors' rights, or by general equitable principles.

(c) No Violation; Consents. Assuming that requisite Bankruptcy Court and Canadian Court approvals are obtained, the requirements of the HSR Act and any other applicable antitrust, competition or merger control Laws promulgated by any Governmental Authority are complied with and any filings required by any applicable federal or state securities or "blue sky" Laws are made (collectively, the "Requisite Approvals"), the execution, delivery and performance of this Agreement and the Ancillary Deliverables by such Seller and the consummation of the transactions contemplated thereby will not (i) violate any provision of the certificate of formation, articles of incorporation, bylaws, operating agreement or other analogous charters or governing documents of such Seller, (ii) violate any Law or order of any Governmental Authority by which such Seller or any of its properties or assets are bound or (iii) result in a violation or breach of, or

constitute a default under, or result in the creation of any Lien (other than Permitted Liens) upon, or create any rights of termination, cancellation or acceleration in any Person with respect to any contract to which such Seller is a party or any permit of such Seller, or any other contract, indenture, mortgage or instrument to which such Seller is a party or by which any of their respective properties or assets are bound. No order or filing, including without limitation any consent, approval or other authorization of any Governmental Authority or under any contract to which such Seller is a party or by which its respective portion of the Purchased Assets are bound, is required as a result of or in connection with the execution or delivery of this Agreement and the Ancillary Deliverables or the consummation by such Seller of the transactions contemplated hereby except the Requisite Approvals.

(d) Title; Condition of Assets. Except as expressly disclosed to the Purchaser in writing, Sellers collectively own all of the Purchased Assets free and clear of any Lien except for Permitted Liens.

Section 5.2 Representations and Warranties of Purchaser. Purchaser represents and warrants to Sellers that the following statements are true and correct as of the date hereof and as of the Closing Date:

(a) Organization. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has full limited liability company power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(b) Power and Authority of Purchaser; Authorization. Purchaser has all requisite limited liability company power and authority to execute and deliver this Agreement and the Ancillary Deliverables to which it is a party, and to perform Purchaser's obligations hereunder and thereunder. The execution and delivery of this Agreement and the Ancillary Deliverables to which Purchaser is a party and the consummation of the transactions contemplated hereby or thereby have been duly authorized by all necessary limited liability company action on the part of Purchaser, and no further action is necessary for Purchaser to execute and deliver this Agreement and Purchaser's Ancillary Deliverables and to perform the obligations of Purchaser hereunder and thereunder. This Agreement and the Ancillary Deliverables to which Purchaser is a party have been and will be duly executed and delivered by Purchaser and constitute the legal, valid and binding obligations of Purchaser enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application referring to or affecting the enforcement of creditors' rights, or by general equitable principles.

(c) Financing. Purchaser (i) has as of the date hereof sufficient funds to deliver the Deposit and access to committed capital subscriptions to pay the remainder of the Purchase Price at the Closing and (ii) will have at the Closing sufficient funds in an aggregate amount necessary to pay the Purchase Price, to perform the Assumed Liabilities as they become due in accordance with their terms and to consummate all of the other transactions contemplated by this Agreement. Purchaser is and shall be capable of satisfying the conditions contained in sections 365(b)(1)(C) and 365(f) of the Bankruptcy Code with respect to the Assumed Contracts and the related Assumed Liabilities. As of the date hereof, Purchaser has provided Sellers with a true,

correct and complete copy of the Equity Commitment Letter, which has been duly authorized and executed by Purchaser and the other signatories thereto, and constitutes the legal, valid and binding obligation of the Purchaser and the other parties thereto enforceable by Purchaser against each such other party in accordance with its terms.

(d) No Outside Reliance. Notwithstanding anything in this Agreement to the contrary, Purchaser acknowledges and agrees that the representations and warranties made by Sellers in Section 5.1 (as qualified therein) (the "Express Representations") are the sole and exclusive representations, warranties and statements of any kind made to Purchaser and on which Purchaser and any of its Affiliates may rely in connection with the transactions contemplated by this Agreement. Purchaser acknowledges and agrees that (other than solely to the extent expressly set forth in the Express Representations) all other representations, warranties and statements of any kind or nature expressed or implied, whether in written, electronic or oral form, including the historical, current or future business, financial condition, results of operations, assets, Liabilities, properties, contracts, or prospects of the Fracturing Business, the Purchased Assets or the Sellers, or the quality, quantity or condition of the Fracturing Business's or the Purchased Assets, in each case, are specifically disclaimed by Sellers, and that neither Purchaser nor any of its Affiliates has relied on any such representations, warranties or statements. Purchaser acknowledges and agrees that it has conducted to its full satisfaction an independent investigation and verification of the Fracturing Business and the Purchased Assets, and, in making its determination to proceed with the transactions contemplated by this Agreement, Purchaser has relied solely on the results of its or its Affiliates' own independent investigation and verification, and has not relied on, is not relying on, and will not rely on, any information, statements, disclosures, documents, projections, forecasts or other material made available to Purchaser or any of its Affiliates or advisors or representatives, in each case, whether written or oral, made or provided by Sellers or any of their respective Affiliates, advisors or representatives, or any failure of any of the foregoing to disclose information, except to the extent expressly set forth in the Express Representations.

ARTICLE VI
CONDITIONS PRECEDENT

Section 6.1 Conditions to Purchaser's Obligations. Purchaser's obligation to effect the Closing shall be subject to the satisfaction or Purchaser's waiver of the following conditions:

(a) all representations and warranties of Sellers contained in this Agreement shall be true and correct in all material respects as of the Closing as if made on the Closing Date (other than representations and warranties that are made as of a specific date, which representations and warranties shall have been true and correct in all material respects as of such date);

(b) each Seller shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by such Seller at or prior to the Closing;

(c) the total cure costs for the Assumed Contracts provided on Schedule 2 shall not exceed the amount of cure costs listed on Schedule 2 by an amount equal to more than 20% for such Assumed Contracts in the aggregate;

(d) the Bankruptcy Court shall have entered the Sale Order, and the effectiveness of the Sale Order shall not be subject to any stay;

(e) the Canadian Court shall have entered the Sale Recognition Order, and the effectiveness of the Sale Recognition Order shall not be subject to any stay;

(f) there shall be no order from any Governmental Authority in existence that prohibits or restricts the sale of the Purchased Assets to Purchaser;

(g) all Assumed Contracts are in full force and effect; and

(h) Sellers shall have delivered or caused to be delivered all of the items set forth in Section 3.3.

Section 6.2 Conditions to Sellers' Obligations. Sellers' obligation to effect the Closing shall be subject to the satisfaction or BJS' waiver of the following conditions:

(a) all representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing as if made on the Closing Date (other than representations and warranties that are made as of a specific date, which representations and warranties shall have been true and correct in all material respects as of such date);

(b) there shall be no order from any Governmental Authority in existence that prohibits or restricts the sale of the Purchased Assets to Purchaser;

(c) the applicable waiting period under the HSR Act shall have expired or been terminated and any approvals necessary or any suspensory period in effect under any other Antitrust Laws shall have been received or expired, respectively; and

(d) Purchaser shall have delivered or caused to be delivered all of the items set forth in Section 3.4.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of BJS and Purchaser;

(b) by Purchaser by written notice to BJS if:

(i) Purchaser is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by any Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VI and such breach, inaccuracy or failure has not been cured by the applicable Seller within thirty (30) days of the applicable Seller's receipt of written notice of such breach from Purchaser;

(ii) the Closing shall not have occurred on or before August 28, 2020 (or such other date as is mutually agreed to by the Parties in writing) (the "Outside Date"), unless such failure shall be due to the failure of Purchaser to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;

(iii) the Sale Order has not been entered by the Bankruptcy Court by August 14, 2020; or

(iv) if any Seller enters into one or more Alternative Transactions with one or more Persons other than Purchaser or the Successful Bidder or the Backup Bidder at the Auction or the Bankruptcy Court approves an Alternative Transaction other than with the Successful Bidder or the Backup Bidder; provided that Purchaser shall not be permitted to terminate this Agreement pursuant to this Section 7.1(b)(iv) until after the thirtieth (30th) day following entry by the Bankruptcy Court of an order authorizing and approving an Alternative Transaction with the Successful Bidder at the Auction (and, notwithstanding Purchaser not having been the Successful Bidder or the Backup Bidder at the Auction, until such time (if any) as Purchaser terminates this Agreement pursuant to this Section 7.1(b)(iv), the obligations of Purchaser to consummate the transactions contemplated by this Agreement shall remain unaffected by Purchaser's right to terminate this Agreement pursuant to this Section 7.1(b)(iv));

(c) by Sellers by written notice to Purchaser if:

(i) no Seller is then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Purchaser pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VI and such breach, inaccuracy or failure has not been cured by Purchaser within thirty (30) days of Purchaser's receipt of written notice of such breach from any Seller;

(ii) if all of the conditions set forth in Section 6.1 have been satisfied (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing) or waived and Purchaser fails to complete the Closing at the time required by Section 3.1;

(iii) the Closing shall not have occurred on or before the Outside Date, unless such failure shall be due to the failure of any Seller to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;

(iv) if any Seller or the board of directors (or similar governing body) of any Seller determines that proceeding with the transactions contemplated by this Agreement or failing to terminate this Agreement would be inconsistent with its or such Person's fiduciary duties;

(v) if any Seller enters into one or more Alternative Transactions with one or more Persons other than Purchaser or the Successful Bidder or the Backup Bidder at the Auction or the Bankruptcy Court approves an Alternative Transaction other than with the Successful Bidder or the Backup Bidder;

(vi) the Sale Order has not been entered by the Bankruptcy Court by August 14, 2020; or

(vii) the Sale Recognition Order has not been granted by the Canadian Court by the earliest available date on the commercial list schedule for the Canadian Court, in accordance with Article IV and the filing deadlines set out in the Commercial Practice Note No. 1 of the Canadian Court dated June 15, 2015; or

(d) by BJS or Purchaser in the event that (i) there shall be any applicable law that makes the consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued any order enjoining the transactions contemplated by this Agreement, and such order shall have become final and non-appealable.

In the event of termination of this Agreement pursuant to this Section 7.1, this Agreement shall forthwith become void and there shall be no Liability on the part of any Party or any of its partners, officers, directors or shareholders; provided that Section 2.4, this last sentence of Section 7.1, and Section 7.8 through Section 7.15 shall survive any such termination.

Section 7.2 Reasonable Efforts; Cooperation.

(a) Subject to the other terms of this Agreement provisions hereof, each Party shall, and shall cause its advisors to, use its reasonable best efforts to perform its obligations hereunder and to take, or cause to be taken, and do, or cause to be done, all things necessary, proper or advisable under applicable law to cause the transactions contemplated herein to be effected as soon as practicable (subject to the following sub-clause (b)) in accordance with the terms hereof and to cooperate with each other Party and its advisors in connection with any step required to be taken as a part of its obligations hereunder. The "reasonable best efforts" of Sellers will not require Sellers or any of their subsidiaries, Affiliates or advisors to expend more than a *de minimis* amount of money to remedy any breach of any representation or warranty to commence any action, to waive or surrender any right, to modify any contract or to waive or forego any right, remedy or condition hereunder.

(b) The obligations of Sellers pursuant to this Agreement, including this Section 7.2, shall be subject to any orders entered, or approvals or authorizations granted or required, by or under the Canadian Court, Bankruptcy Court or the Bankruptcy Code (including in connection with the Bankruptcy Case, and including entry of the *Bidding Procedures Order* (if applicable), the Sale Order and the Sale Recognition Order), any debtor-in-possession financing or order authorizing the use of cash collateral of the Sellers (including any budgets in connection with such financing or use of cash collateral), and each of Sellers' obligations as a debtor-in-possession to comply with any order of the Canadian Court or the Bankruptcy Court (including the *Bidding Procedures Order* (if applicable)) and Sellers' duty to seek and obtain the highest or otherwise best transaction for the Acquired Assets as required by the Bankruptcy Code.

Section 7.3 Alternate Transaction. If Sellers are unable to satisfy all of the conditions to Purchaser's obligations with respect to the M&E Assets by the Outside Date but are able to satisfy the conditions to Purchaser's obligations with respect to the Purchased Assets other than

the M&E Assets (or Purchaser has waived such conditions), Purchaser may, subject to any requisite Bankruptcy Court approvals, in its sole and absolute discretion, elect to consummate the acquisition of the Purchased Assets other than the M&E Assets for the Specified Consideration and on the other terms set forth in this Agreement, *mutatis mutandis*. If Sellers are unable to satisfy all of the conditions to Purchaser's obligations with respect to the Purchased Assets other than the M&E Assets by the Outside Date but are able to satisfy the conditions to Purchaser's obligations with respect to the M&E Assets (or Purchaser has waived such conditions), Purchaser may, subject to requisite Bankruptcy Court approvals, in its sole and absolute discretion, elect to consummate the acquisition of the M&E Assets for the M&E Consideration and on the other terms set forth in this Agreement, *mutatis mutandis*. In each such case, Sellers shall, upon such election by Purchaser, proceed with such transaction on the other terms set forth in this Agreement.

Section 7.4 Necessary Consents. Notwithstanding any other provision of this Agreement to the contrary, this Agreement will not constitute an agreement to assign or transfer and will not affect the assignment or transfer of any Purchased Asset if an attempted assignment or transfer thereof, without the approval, authorization or consent of, or granting or issuance of any license or permit by, any third party thereto (each such action, a "Necessary Consent"), would constitute a breach thereof or of any Law or order or in any way adversely affect the rights of Purchaser thereunder. In such event, Sellers and Purchaser will (a) use their commercially reasonable efforts to obtain the Necessary Consents with respect to any such Purchased Asset or any claim or right or any benefit arising thereunder for the assignment or transfer thereof to Purchaser and (b), in the event a Necessary Consent is not obtained, cooperate in good faith in any lawful and commercially reasonable arrangement, including subcontracting, licensing, or sublicensing to Purchaser any or all of such Seller's rights and obligations with respect to any such Purchased Asset under which (i) Purchaser shall obtain (without infringing upon the legal rights of such third party or violating any Law) the economic rights and benefits (net of the amount of any related tax costs imposed on such Seller or its Affiliates) and (ii) Purchaser shall assume any related burden and obligation (including performance) with respect to such Purchased Asset. Notwithstanding the foregoing, neither any Seller nor Purchaser shall be obligated to pay any consideration therefor to any third party from whom consent or approval is requested or to initiate any litigation or legal proceedings to obtain any such consent or approval.

Section 7.5 Further Assurances. Each party agrees, without further consideration, to cooperate and to promptly execute such other and further documents, instruments and papers after the Closing Date which are required to fully transfer the Purchased Assets to Purchaser. To the extent that either Party discovers after the Closing Date that (i) any rights, interests or assets intended to be transferred and conveyed to Purchaser through this Agreement were inadvertently not conveyed to Purchaser, or (ii) any rights, interests or assets not intended to be transferred and conveyed to Purchaser through this Agreement were inadvertently conveyed to Purchaser, then each Party shall cooperate and take, at such Party's sole cost and expense, such actions as are necessary to effectuate the transfer and conveyance, or as the case may be, the retransfer to the relevant other Party, of such rights, interests and assets without payment of further consideration.

Section 7.6 Transfer Taxes. Any transfer, documentary, sales, use, stamp, registration and other similar taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the transfer of the Purchased Assets to Purchaser pursuant to this Agreement and not exempted under the Sale Order or the Sale

Recognition Order, by Section 1146(a) of the Bankruptcy Code or applicable state or municipal law ("Transfer Taxes") shall be borne by Purchaser. Purchaser will, at its own expense, file all necessary tax returns and other documentation with respect to all Transfer Taxes, and, if required by applicable law, the Parties will, and will cause their Affiliates to, join in the execution of any such tax returns and other documentation.

Section 7.7 Allocation of Purchase Price. Purchaser and Sellers shall use commercially reasonable efforts to agree to an allocation of the Specified Consideration (and other items treated as consideration for federal income tax purposes) among the Specified Assets, the Assumed Contracts and the visa-related rights and the M&E Consideration (and other items treated as consideration for federal income tax purposes) among the M&E Assets in accordance with Code §1060 and the regulations thereunder (and any similar provision of state, local, or non-U.S. law, as appropriate) (the "Tax Allocation") within 30 days after the Closing Date. If Sellers and Purchaser reach an agreement with respect to the Tax Allocation pursuant to the foregoing sentence, Sellers and Purchaser each agree to report, and to cause their respective Affiliates to report, the U.S. federal, state and local income and other tax consequences of the transactions contemplated herein, and in particular to report the information required by Code §1060(b), and to jointly prepare Internal Revenue Service Form 8594 (Asset Acquisition Statement under Section 1060) in a manner consistent with the Tax Allocation, as may be revised to take into account subsequent adjustments to the Purchase Price, and shall not take any position for U.S. federal, state or local income tax purposes inconsistent therewith upon examination of any tax return, in any refund claim, in any tax litigation, investigation or otherwise, unless required to do so by a "determination" (as defined in Code §1313(a)(1)), or with such other Party's prior consent; provided, however, that nothing contained herein shall prevent Purchaser or Sellers from settling any proposed deficiency or adjustment by any taxing authority based upon or arising out of the Tax Allocation, and neither Purchaser nor Sellers shall be required to litigate before any court any proposed deficiency or adjustment by any taxing authority challenging the Tax Allocation. If Sellers and Purchaser do not reach an agreement with respect to the Tax Allocation under this Section 7.7, Sellers and Purchaser shall be free to file their own asset allocation statements and shall not be subject to the reporting requirements of this Section 7.7. In addition to the Tax Allocation, the Purchaser and Seller shall use commercially reasonable efforts to agree to an allocation of the Purchase Price as between the Purchased Assets sold by each Seller. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 7.7 shall survive the Closing without limitation.

Section 7.8 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been given on the date of delivery in person or by facsimile (receipt confirmed) or of deposit in the United States mail, postage prepaid, if sent by registered or certified mail, return receipt requested, addressed as follows:

If to Purchaser:

Winston & Strawn LLP
2121 N. Pearl Street, Suite 900
Dallas, Texas 75201

If to Sellers:

BJ Services, LLC
11211 FM 2920 Rd.
Tomball, Texas 77375

Attn: David Lange
Email: dlange@winston.com

Attn: John R. Bakht, General Counsel
Email: john.bakht@bjservices.com

with copy to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attn: Joshua A. Sussberg
Christopher T. Greco
E-mail: joshua.sussberg@kirkland.com
cgreco@kirkland.com

and with copy to:

Bennett Jones LLP
4500 Bankers Hall East
855-2nd Street SW
Calgary, AB, Canada T2P 4K7
Attn: Harinder Basra
Kelsey Meyer
E-mail: basrah@bennettjones.com
meyerk@bennettjones.com

Any Party may change its address for receipt of notices and other communications hereunder by giving appropriate written notice to the other Parties in accordance with the provisions of this Section 7.8.

Section 7.9 Governing Law; Exclusive Venue. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to its conflict of laws principles save and except that the CCAA shall apply with respect to the application to the Canadian Court for the Sale Recognition Order. Subject to the foregoing, the Parties hereby agree that any litigation arising hereunder shall be filed in and resolved exclusively in the Bankruptcy Court or, if the Bankruptcy Court is unwilling or unable to hear such litigation, in the federal or state courts located in Harris County, Texas, United States of America. Each Party hereby irrevocably consents to the personal jurisdiction of such courts and agrees that venue shall be exclusive with such courts.

Section 7.10 Amendment and Waiver. This Agreement may be amended or modified only by written instrument executed by all of the Parties. A waiver of any term or condition of this Agreement shall only be effective if in writing. No waiver by any Party of any breach of any of the covenants to be performed by any other Party shall be construed as a waiver of any subsequent breach of the same term or condition, or a waiver of any other term or condition of this Agreement.

Section 7.11 Assignment. No Party shall assign this Agreement, or any right or duty hereunder, voluntarily or involuntarily, by operation of law or otherwise, without the prior written

consent of the other Parties (which consent shall not be unreasonably withheld, delayed or conditioned).

Section 7.12 AS IS Transaction. UPON CLOSING, IT IS UNDERSTOOD THAT, EXCEPT WITH RESPECT TO THE EXPRESS REPRESENTATIONS, PURCHASER HAS ACCEPTED THE PURCHASED ASSETS IN THEIR "AS IS" CONDITION. EXCEPT AS EXPRESSLY SET FORTH HEREIN, NO WARRANTY, EITHER EXPRESS OR IMPLIED, AND NO REPRESENTATION AS TO THE CONDITION OF SAID PURCHASED ASSETS, THEIR FITNESS FOR ANY PARTICULAR USE OR MERCHANTABILITY, HAS BEEN GIVEN OR IS BINDING UPON SELLERS, ALL OF WHICH SUCH IMPLIED WARRANTIES ARE DISCLAIMED BY PURCHASER. Purchaser acknowledges and agrees that it will, and it will cause its Affiliates to, not assert, institute, or maintain any proceeding, action or lawsuit that makes any claim contrary to this Section 7.12 and Section 5.2(d), including any such proceeding, action or lawsuit with respect to any information, statements, disclosures, or materials, in each case whether written or oral, provided to Purchaser or its Affiliates or their respective advisors and representatives by any Seller or any of their respective Affiliates, or any failure by any of the foregoing to disclose any information. Purchaser acknowledges and agrees that the covenants and provisions contained in this Section 7.12 and Section 5.2(d) require performance after the Closing and are an integral part of the transactions contemplated by this Agreement and that Sellers would not have entered into this Agreement without such covenants and provisions.

Section 7.13 Non-Survival of Representations and Warranties and Certain Covenants; Certain Waivers. Each of the representations and warranties and the covenants and agreements (to the extent such covenant or agreement contemplates or requires performance by such Party prior to the Closing) of the Parties set forth in this Agreement or in any other document contemplated hereby will terminate effective immediately as of the Closing such that no claim for breach of any such representation, warranty, covenant or agreement, detrimental reliance or other right or remedy may be brought with respect thereto after the Closing. Each covenant and agreement that explicitly contemplates performance after the Closing, will, in each case and to such extent, expressly survive the Closing in accordance with its terms, and if no term is specified, then for five (5) years following the Closing Date. Purchaser and Sellers acknowledge and agree that the agreements contained in this Section 7.13 (a) require performance after the Closing to the maximum extent permitted by applicable Law and will survive the Closing for five (5) years; and (b) are an integral part of the transactions contemplated hereby and that, without such agreements, none of the Parties would enter into this Agreement.

Section 7.14 Specific Performance. The Parties agree that irreparable damage, for which monetary relief, even if available, would not be an adequate remedy, would occur in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached, including if any of the Parties fails to take any action required of it hereunder to consummate the transactions contemplated by this Agreement. It is accordingly agreed that (a) the Parties will be entitled to seek an injunction or injunctions, specific performance or other equitable relief to remedy breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled under this Agreement, and (b) the right of specific performance and other equitable relief is an integral part of the transactions contemplated by this Agreement and without that right, neither Sellers nor Purchaser would have entered into this Agreement. The Parties acknowledge and agree that any

Party pursuing an injunction or injunctions or other order to remedy breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement will not be required to provide any bond or other security in connection with any such order. If, prior to the Outside Date, any Party brings any action to enforce specifically the performance of the terms and provisions hereof by any other Party, the Outside Date will automatically be extended (y) for the period during which such action is pending, plus ten (10) days or (z) by such other time period established by the court presiding over such action, as the case may be. In no event will this Section 7.14 be used, alone or together with any other provision of this Agreement, to require any Seller to remedy any breach of any representation or warranty of any Seller made herein. In furtherance of and to the same extent as the foregoing, it is acknowledged and agreed that Sellers shall be entitled to seek specific performance to enforce the terms of the Equity Commitment Letter against the parties thereto and Purchaser's rights thereunder.

Section 7.15 Miscellaneous. This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral, between the Parties. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one Party but all of which taken together shall constitute one and the same Agreement. The section headings in this Agreement are included for convenience only and shall not affect the interpretation of this Agreement. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, including any trustee or estate representative appointed in the Bankruptcy Cases or any successor case. It is the intention of the Parties that nothing in this Agreement shall be deemed to create any right or cause of action in or on behalf of any Person other than the Parties. If any provision of this Agreement is found to be contrary to Law or unenforceable by a court of competent jurisdiction, then the remaining provisions shall be severable and enforceable in accordance with their terms, unless such unlawful or unenforceable provision is material to the transactions contemplated hereby, in which case the Parties shall negotiate in good faith a substitute provision.

Section 7.16 Delegation. By execution of this Agreement, BJC hereby irrevocably constitutes and appoints BJS to act as agent and attorney-in-fact for and on its behalf regarding any matter relating to the Escrow Agreement, including in BJS's capacity as "Seller Representative" thereunder and in taking all such other actions as BJS shall deem necessary or appropriate, in its discretion, for the accomplishment of the transactions contemplated by the Escrow Agreement, and BJC agrees to be bound by all agreements and determinations made by and documents executed and delivered by BJS pursuant to the foregoing authority granted to BJS. BJS will not be liable for any act taken or omitted to be taken under the Escrow Agreement, while acting in good faith, and any act taken or omitted to be taken pursuant to the advice of counsel will be conclusive evidence of such good faith. BJS shall be entitled to rely, and shall be fully protected in relying, upon, any statements furnished to BJS by BJC or any third party or any other evidence deemed by BJS to be reliable, and BJS shall be entitled to act on the advice of its selected counsel. Any such decision, act, consent or instruction given by BJS pursuant to the foregoing grant shall be final, binding and conclusive upon BJC, and Purchaser and the Escrow Agent may rely upon

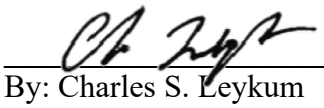
any such decision, act, consent or instruction without any liability to, or obligation to inquire of, BJC. The appointment and power of attorney made in this Section 7.16 shall to the fullest extent permitted by applicable Law be deemed an agency coupled with an interest and all authority conferred hereby shall to the fullest extent permitted by Law be irrevocable and not be subject to termination by operation of applicable Law, whether by the death or incapacity or liquidation or dissolution of BJC or the occurrence of any other event or events. Any action taken by BJS on behalf of BJC pursuant to this Section 7.16 shall be as valid as if any such death, incapacity, liquidation, dissolution or other event had not occurred, regardless of whether or not BJC, BJS, any related Person or Purchaser shall have received notice of any such death, incapacity, liquidation, dissolution or other event.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties, through their duly authorized representatives, have caused this Agreement to be executed as of the day and year first above written.

PURCHASER

TES ASSET ACQUISITION, LLC



By: Charles S. Leykum
Its: Manager

SELLERS

BJ SERVICES, LLC

By: _____
Name: Anthony C. Schnur
Its: Chief Restructuring Officer

BJ SERVICES HOLDINGS CANADA ULC

By: _____
Name: John R. Bakht
Its: Vice President & Secretary

SCHEDULE 1

Purchased Assets

M&E Assets

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Blender	Trailer	BLENDER 125 E EXT - MkII	PRAT	2009	Down	1P9CP40269B343100
Frac Blender	Trailer	125EX FRAC BLENDER W/16BBL MIXING TUB - MkII	PRAT	2012	Active	1P9CP4021CB343092
Frac Blender	Trailer	BLENDER 125 EX 16 BBL TUB - MkII	PRATT INDUSTRIES, INC.	2010	Active	1P9CP4024AB343133
Frac Blender	Trailer	BLENDER 125 E EXT MKII	PRATT INDUSTRIES, INC.	2011	Active	1P9CP4024BB343697
Chem Add	Trailer	CHEM INJ TRAILER ENCLOSED	Peerless	2005	Active	2PLC040205BJ11997
Chem Add	Trailer	SRA-5 Hydra-Frac Liquid Chem Add Trailer	Peerless	2007	Active	2PLC042347GJ13179
Chem Add	Trailer	SRA-5 Hydra-Frac Liquid Chem Add Trailer	Peerless	2007	Active	2PLC042397BH13177
Chem Add	Trailer	SRA-5 Hydra-Frac Liquid Chem Add Trailer	Peerless	2007	Active	2PLC042307BH13178
Chem Add	Trailer	SRA-5 Hydra-Frac Liquid Chem Add Trailer	Peerless	2007	Active	2PLC042367BK13183
Data Van	Body Load	STC-2600 Datavan Fracturing	Kenworth	2007	Active	1NKCL40X07R932535
Data Van	Body Load	STV-2600 Hydra-Frac Data Van Truck	Kenworth	2007	Active	1NKCL40X37R932531
Hydration Unit	Trailer	HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4322EB343391
Hydration Unit	Trailer	UNIT ASSY,HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4324EB343392
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUC1CD016957
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUC5CD016959

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUCXCD016990
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUC0CD016996
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUC2CD016997
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUC4CD016001
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Down	2T9SASUC6CD016002
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Down	2T9SASUC1CD016084
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Down	2T9SASUC6CD016033
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Down	2T9SASUC9CD016124
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Down	2T9SASUC6DD016177
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Down	2T9SASUC8DD016178
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC0DD016191
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC6DD016194
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC4DD016226
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC6DD016227
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC3DD016251
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC5DD016252
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC7DD016253
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC3DD016265
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUCXDD016277
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC5DD016302

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Idle	2T9SASUC7DD016303
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Idle	2T9SASUC1CD016974
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC4DD016193
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC1DD016278
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUCXCD016973
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUC4CD016967
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)			Active	PS104
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)			Active	PS105
Maintenance Truck	Tractor	Heavy Duty Vehicle	Ford	2006	Active	1FDAW57P46EA98718
Maintenance Truck	Tractor	Maintenance Truck	Ford	2011	Active	1FD0W5HT1BEC88834
Tractor	Tractor	TRACTOR HYD-III ISX	Peterbilt	2009	Active	1XPTD49X49D773373
Tractor	Tractor	Tractor with wet kit	Western Star	2012	Active	5KJJALBG3CPBE2269
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG7CPBU4689
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG7CPBU4675
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG0CPBU4680
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG6CPBU4683
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG8CPBU4684

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG5CPBU4688
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG3CPBU4690
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG5CPBU4691
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG0CPBU4694
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB ISX 485 hp	Western Star	2011	Active	5KJJALBG8BPAZ6229
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB ISX 485 hp	Western Star	2012	Active	5KJJALBG0CPBE2259
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB ISX 485 hp	Western Star	2012	Active	5KJJALBG3CPBE2286
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB ISX 485 hp	Western Star	2012	Active	5KJJALBG5CPBE2290
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB ISX 485 hp	Western Star	2012	Active	5KJJALBG8CPBE2297
Tractor	Tractor	TR-16 Tractor with Wet Kit 230IN WB	Kenworth	2007	Active	1XKDD00X17R997524
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB ISX 485 hp	Western Star	2012	Active	5KJJALBGXCPBE2298
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230”WB ISX 485 HP	Western Star	2012	Active	5KJJALBG6CPBU4697
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230”WB ISX 485 HP	Western Star	2012	Active	5KJJALBG2CPBU4700
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230”WB ISX 485 HP	Western Star	2012	Active	5KJJALBG4CPBU4701
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB DD15-475	Western Star	2010	Active	5KJJALDR3APAL1284
Tractor	Tractor	TR-16 Tractor with Wet Kit 230IN WB	Kenworth	2006	Active	1XKDD00X76R992682
Tractor	Tractor	TR-16 Wet Kit Tractor 230IN WB ISX-450	Kenworth	2006	Active	3WKDD40X06F986569

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Tractor	Tractor	TR-16 Wet Kit Tractor 230IN WB ISX-450	Kenworth	2005	Active	1XKDD40X15R979786
Tractor	Tractor	TR-18 Tridem Wet Kit Tractor 260IN WB ISX	Western Star	2011	Active	5KJRALBG5BPAX2991
Tractor	Tractor	TR-18 Wet Kit Tractor 230IN WB DD15-475	Western Star	2010	Active	5KJJALDRXAPAL1282
Tractor	Tractor	TR-18 Wet Kit Tractor 230IN WB DD60 470 hp	Western Star	2008	Active	5KJJALCK48PY65298
Tractor	Tractor	TR-18 Wet Kit Tractor 230IN WB DD60-470	Western Star	2007	Active	5KJJALCK77PZ24195
Tractor	Tractor	TR-18 Wet Kit Tractor 230IN WB ISX 485 hp	Western Star	2011	Active	5KJJALBG2BPAY7929
Tractor	Tractor	TR-18 WET KIT TRACTOR 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG4CPBE2264
Tractor	Tractor	TR-18 WET KIT TRACTOR 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG2CPBE2277
Tractor	Tractor	TR-18 WET KIT TRACTOR 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG0CPBE2276
Tractor	Tractor	TR-18 WET KIT TRACTOR 230WB ISX 485 HP	Western Star	2011	Active	5KJJALBG4BPAZ6230
Tractor	Tractor	TR-18 WET KIT TRACTOR 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG7CPBE2307
Tractor	Tractor	2012 Western Star 4900SA Tri Drive Tractor	Western Star	2012	Down	5KJRALBG9CPBE2103
Tractor	Tractor	2012 Western Star 4900SA Tri Drive Tractor	Western Star	2012	Active	5KJRALBG5CPBE2101
Tractor	Tractor	TRUCK,XPORT DOTF DRY GEL METERING SKID	Peterbilt	2013	Active	2NP3LN9X3DM185812
Frac Blender	Trailer	BLENDER TM 125 EX 16BBL	Pratt	2011	Active	1P9CP4026BB343698
Frac Blender	Trailer	BLENDER,TM 125 E MkII	Kalyn	2007	Active	5DDKM362871003073

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Blender	Trailer	BLENDER TM 125 EX 16BBL - MkII	Pratt	2012	Active	1P9CP4023CB343112
Chem Add	Trailer	CHEM INJ TRL CUMMINS 4BTAA	Kalyn	2007	Active	5DDKE452571002760
Chem Add	Trailer	CHEM INJ TRL CUMMINS 4BTAA	Kalyn	2005	Active	5DDKM452051001919
Data Van	Body Load	FRAC VAN STV2600 ISC	Peterbilt	2011	Active	2NP3LN9XXBM129458
Data Van	Body Load	FRAC VAN STIM STV2600	Peterbilt	2013	Active	2NP3LN9X7DM172206
Hydration Unit	Trailer	L606 UNIT ASSY,HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4322EB343388
Hydration Unit	Trailer	UNIT ASSY,HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4324EB343487
Manifold	Trailer	Manifold Trailer MK II 4” 1502 10 Station	Worley	2010	Active	1W9UC4828AL216008
Manifold	Trailer	Manifold Trailer MK II 4” 1502 10 Station	Worley	2011	Active	1W9UC4828BL216009
Line Transport	Trailer	LINE TRAILER 3” 1502	Kalyn	2009	Active	5DDKM402491004710
Line Transport	Trailer	4 1002 LINE TRAILER	Pratt	2012	Active	1P9CP4022CB343621
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4435BB343825
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4431BB343823
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Pratt	2011	Active	1P9CP4125BB343691
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4437BB343826
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2012	Down	1P9CP443XCB343045
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2012	Active	1P9CP4431CB343046
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4439BB343827
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2012	Active	1P9CP4433CB343047

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2013	Active	1P9CP443XDB343273
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2013	Active	1P9CP4435DB343276
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2012	Active	1P9CP4433DB343275
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Pratt	2013	Active	1P9CP4123DB343238
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2013	Active	1P9CP4437DB343280
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2013	Active	1P9CP4439DB343281
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Dragon	2014	Active	1UNSF4433EA093888
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4437BB343518
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4438BB343821
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Down	1P9CP4436BB343101
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4434BB343100
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2011	Active	1P9CP443XBB343103
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4438BB343102
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4438BB343097
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP443XBB343098
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2011	Active	1P9CP4431BB343099
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt Industries	2011	Active	1P9C9443XBB343165
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2011	Down	1P9CP4433BB343105
Chem Transport	Trailer	TRANSPORT,BULK DRY 1350 FT3 3 CMPRT	Trail King	2014	Down	1TKP04527EW092558

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS54
Maintenance Truck	Tractor	2011 Peterbilt 337 4x2	Peterbilt	2011	Active	2NP2HN7X1BM124827
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2012	Active	1XPTD49X5CD137729
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X3DD166194
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X2DD166414
Tractor	Tractor	TRACTOR,CONV HYD1 ISX 6X4 PB 232WB 378	Peterbilt	2011	Active	1XPTD49X5BD117012
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2012	Active	1XPTD49XXCD163291
Tractor	Tractor	2013 Peterbilt 367 6x4	Peterbilt	2013	Active	1XPTD49X9DD166331
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X3DD166261
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X8DD183329
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X4DD183330
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2011	Active	1XPTD49X3BD117087
Tractor	Tractor	TRACTOR,CONV HYD1 ISX 6X4 PB 232WB 378	Peterbilt	2011	Active	1XPTD49X1BD117105
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2011	Active	1XPTD49X4BD117132
Tractor	Tractor	2011 Peterbilt 367 6x4	Peterbilt	2011	Active	1XPTD49X3BD117137
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2011	Active	1XPTD49X8BD123211
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2011	Active	1XPTD49X0BD123137
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X1DD166307

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X3DD166437
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X2DD166347
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X7DD166327
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X9DD183310
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2011	Active	1XPTD49X4BD117146
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2009	Active	1XPTD40X39D773510
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2011	Active	1XPTD40X7BD123200
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2012	Active	1XPTD40X7CD155162
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2008	Active	1XPTD40XX8D739949
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2008	Active	1XPTD40X68D739950
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2008	Active	1XPTD40X18D739953
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2008	Active	1XPTD40X58D740118
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2008	Active	1XPTD40X08D740236
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2009	Active	1XPTD40X39D773507
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2009	Active	1XPTD40X29D773515
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2009	Down	1XPTD40X49D773516
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2009	Active	1XPTD40X69D773517
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2011	Active	1XPTD40X8BD123156
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2011	Active	1XPTD40X7BD123231
Frac Blender	Trailer	BLENDER 125 E EXT - MkII	Kalyn	2009	Active	5DDKM393791004536

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Blender	Trailer	BLENDER 125 - E - MkII	Kalyn	2006	Active	5DDKM362461002422
Frac Blender	Trailer	BLENDER TM 125 E - MkII	Kalyn	2007	Down	5DDKM362671003184
Chem Add	Trailer	CHEM INJ TRL CUMMINS 4BTAA	Kalyn	2007	Active	5DDKE452771002761
Chem Add	Trailer	CHEM INJ TRL CUMMINS 4BTAA	Kalyn	2006	Active	5DDKE452761002452
Data Van	Body Load	VAN,STIM STV2600	Peterbilt	2012	Active	2NP3LN9X1CM172202
Data Van	Body Load	FRAC VAN STV2600 ISC	Peterbilt	2012	Active	2NP3LN9X8CM137401
Hydration Unit	Trailer	HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4321EB343396
Hydration Unit	Trailer	UNIT ASSY,HYDR TRLR DPHU100-TM SERIES 60	PRAT	2014	Active	1P9CP4328EB343492
Manifold	Trailer	Manifold Trailer MK II 4” 1502 10 Station	Worley	2010	Active	1W9UC4822AL216005
Manifold	Trailer	Manifold Trailer MK II 4” 1502 10 Station	Worley	2010	Active	1W9UC4828AL216011
Line Transport	Trailer	TRAILER,LINE 4.0 1002	Pratt	2011	Active	1P9CP4023BB343439
Line Transport	Trailer	TRAILER,LINE 4.0 1002	Pratt	2012	Active	1P9CP4023CB343577
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Down	1P9CP443XBB343822
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4437BB343169
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Rhino	2011	Active	1P9CP4435BB343168
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Down	1P9CP4435BB343171
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2011	Idle	1P9CP4439BB343173
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4437BB343172
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4436BB343177

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4431BB343104
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4433BB343167
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Kalyn	2007	Active	5DDKM443471003069
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKM443271003068
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Down	5DDKM443171003157
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKM443071003067
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKM443671003235
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Gorilla	2009	Active	1P9CP443X9B343166
Frac Pump	Trailer	Frac Pump - Rhino - Tri	Pratt	2010	Down	1P9CP4127AB343190
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2009	Active	1P9CP44339B343171
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Aspen Trailers	2001	Down	1A9PF44331L448097
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Aspen Trailers	2001	Active	1A9PF44351L448098
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Aspen Trailers	2001	Active	1A9PF44371L448099
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2002	Active	13N84440423513273
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2002	Active	13N84440X23513276
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2002	Active	13N84440123513277
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2002	Active	13N84440323513278
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2003	Down	13N24449233518915
Chem Transport	Trailer	TRANSPORT,BULK DRY 1350 FT3 3 CMPRT	Trail King	2014	Active	1TKP04525EW102570

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS60
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2009	Active	1XPTD40X79D773509
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2005	Active	1XPFD40X35D835737
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2005	Down	1XPFD40X05D835811
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2005	Active	1XPFD40X05D835808
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2007	Active	1XPFD40X87D656371
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2007	Active	1XPFD40X87D656239
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2007	Active	1XPFD40X77D730346
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2005	Active	1XPFD40X85D835779
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2006	Active	1XPFD40X16D645601
Tractor	Tractor	TRACTOR HYD-II GORILLA	Peterbilt	2004	Active	1XPFDR9XX4D816990
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2012	Active	1XPTD49X7CD137747
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2005	Active	1XPFD49X95D835793
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2007	Active	1XPFD49XX7D656293
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2007	Active	1XPFD49X17D730359
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2007	Active	1XPFD49X87D656292
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X86D656159
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X76D884203
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X36D645604
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2005	Active	1XPFD49X05D884168

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2012	Active	1XPTD49X5CD163246
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2007	Active	1XPFD49X37D656359
Tractor	Tractor	TRACTOR HYD 2	Peterbilt	2007	Active	1XPFD49X17D735884
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X86D884193
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X26D884254
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2013	Active	1XPTD49X4DD166267
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X36D656165
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2007	Active	1XPFD49X87D656275
Tractor	Tractor	2005 Peterbilt 378 6x4	Peterbilt	2005	Active	1XPFD49X85D865125
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2008	Active	1XPTD49X48D739884
Tractor	Tractor	2008 Peterbilt 367 6x4	Peterbilt	2008	Active	1XPTD49X68D739885
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2007	Active	1XPFD49X27D656367
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X46D884255
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X46D884207
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X96D646711
Maintenance Truck	Tractor	TRUCK,CONV ISC 4X2 PB	Peterbilt	2008	Active	2NPLHN7X78M750590
Chem Add	Trailer	CHEM ADD TM UNIT	Pratt	2011	Active	1P9CP4528BB343484
Chem Add	Trailer	CHEM ADD TRL	Pratt	2012	Active	1P9CP4521CB343523
Chem Add	Trailer	CHEM ADD TM UNIT	Kalyn	2007	Active	5DDKM452X71003129

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Chem Add	Trailer	Chem Add	Pratt	2013	Idle	1P9CP4527DB343270
Frac Blender	Trailer	BLENDER 125 - E - MkII	Kalyn	2006	Active	5DDKM362461002422
Frac Blender	Trailer	BLENDER 125 EX 16 BBL TUB - MkII	Pratt	2010	Active	1P9CP4026BB343182
Frac Blender	Trailer	BLENDER TM 125 EX 16BBL	Pratt	2011	Active	1P9CP4026BB343698
Frac Blender	Trailer	BLENDER TM 125 EX 16BBL	Pratt	2010	Active	1P9CP4022AB343213
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS63
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS65
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS89
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Idle	PS87
Hydration Unit	Trailer	HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4321EB343382
Hydration Unit	Trailer	HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4328EB343489
Data Van	Trailer	Trailer Mounted Data Van (DF-4)	Surefire Trailers	2011	Refurb	1V9SX4028BN062266
Frac Blender	Trailer	BLENDER 125 - E - MkII	Kalyn	2006	Active	5DDKM362461002422
Frac Blender	Trailer	BLENDER 125 EX 16 BBL TUB - MkII	Pratt	2010	Active	1P9CP4026BB343182
Chem Add	Trailer	CHEM ADD TM UNIT	Pratt	2011	Active	1P9CP4528BB343484
Chem Add	Trailer	CHEM ADD TRL	Pratt	2012	Active	1P9CP4521CB343523
Data Van	Trailer	COMMAND CTR,TM 40FT 120VAC 60HZ	General	2014	Active	1G9U6FA2XEB460139
Hydration Unit	Trailer	HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4321EB343382
Manifold	Trailer	Manifold Trailer MK II 4” 1502 10 Station	Worley	2011	Active	1W9UC4823BL216001
Line Transport	Trailer	4 1502 LINE TRAILER	Pratt	2011	Active	1P9CP4024BB343191

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Line Transport	Trailer	TRAILER,LINE 3.0 1502	PRAT	2012	Active	1P9CP4027CB343467
Line Transport	Trailer	TRAILER,LINE 3.0 1502	Pratt	2012	Active	1P9CP402XCB343012
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Pratt	2011	Active	1P9CP4125BB343691
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Pratt	2013	Active	1P9CP4123DB343238
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Dragon	2014	Active	1UNSF4433EA093888
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2003	Active	13N24449133519103
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2003	Down	13N24449833518918
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2003	Active	13N24449733519266
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2004	Active	4LF24430843522238
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2004	Active	4LF24439143522239
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2004	Active	4LF24439843522240
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Gorilla	2005	Active	5DDKE323751001548
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2005	Active	5DDKE323751001582
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2005	Active	5DDKE323751001596
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2005	Active	5DDKE323X51001625
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2005	Down	5DDKE323651001833
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2005	Active	5DDKE322051001897
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2006	Active	5DDKE323061002459
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKE323571002491
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKE323271002562

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKE323671002905
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Down	5DDKM443671002974
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKM443071003019
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Pratt	2007	Active	1P9CP40297B343136
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Pratt	2007	Active	1P9CP40247B343142
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2009	Active	2T9SASTC5AD016491
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2011	Active	2T9SASVC7BD016779
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS63
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS65
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X36D646705
Tractor	Tractor	Tractor, Hydraulic Wet Kit	Kenworth	2007	Active	1XKDD00X37R995905
Tractor	Tractor	TRACTOR HYDRAULIC 1 - GORILLA	Peterbilt	2013	Active	1XPTD40X1DD137788
Tractor	Tractor	Tractor hydraulic II	Peterbilt	2012	Active	1XPTD49X0CD137640
Tractor	Tractor	Tractor Hydraulic l Blender	Peterbilt	2012	Active	1XPTD49X5CD137634
Tractor	Tractor	Tractor Hydraulic l Dual pump	Peterbilt	2012	Active	1XPTD49X0CD137637
Tractor	Tractor	Tractor Hydrualic w/F016	Peterbilt	2011	Active	1XPTD40X0BD123202
Tractor	Tractor	TR-16 Tractor with Wet Kit 230" WB	Kenworth	2007	Idle	1XKDD00X67R997535
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2008	Active	1XPTD49X58D740137
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2011	Active	1XPTD49X2BD116996

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Tractor	Tractor	TRACTOR,CONV HYD5 ISX 6X4 PB 232WB 378	Peterbilt	2012	Active	1XPTD49X6CD163241
Tractor	Tractor	TRACTOR,CONV HYD5 ISX 6X4 PB 232WB 378	Peterbilt	2009	Active	1XPTD49X19D788932
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2013	Active	1XPTD49XXDD166161
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2009	Active	1XPTD49X19D773380
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2007	Active	1XPFD49X07D656190
Tractor	Tractor	2005 Peterbilt 378 6x4	Peterbilt	2005	Active	1XPFD49X15D835772
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2012	Active	1XPTD49X5CD163229
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2013	Active	1XPTD49X1DD166162
Tractor	Tractor	2013 Peterbilt 367 6x4	Peterbilt	2013	Active	1XPTD49X2DD166302
Tractor	Tractor	TRACTOR HYD-VII ISX	Peterbilt	2013	Active	1XPTD49X3DD183366
Tractor	Tractor	TRACTOR HYD-VII ISX	Peterbilt	2011	Active	1XPTD49X5BD123151
Tractor	Tractor	TRACTOR HYD-VII ISX	Peterbilt	2007	Active	1XPFD49X67D656341
Tractor	Tractor	TRACTOR HYD-VII ISX	Peterbilt	2009	Active	1XPTD49X09D773435
Tractor	Tractor	TRACTOR, GORILLA	Peterbilt	2013	Active	1XPTD40X0DD163329
Tractor	Tractor	TRACTOR, HYDRAULIC 1	Peterbilt	2013	Active	1XPTD49X3DD166132
Tractor	Tractor	2013 Peterbilt 367 6x4	Peterbilt	2013	Active	1XPTD49X0DD166136
Tractor	Tractor	Tractor Hyd I Falcon	Peterbilt	2013	Active	1XPTD49X1DD166159
Tractor	Tractor	Tractor Hyd I Falcon	Peterbilt	2013	Active	1XPTD49X8DD163341

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Tractor	Tractor	TRACTOR,CONV HEAVY HAUL ISX 6X4 231WB	Peterbilt	2012	Active	1XPTD40X9CD163201
Tractor	Tractor	TRACTOR,CONV HEAVY HAUL ISX 6X4 231WB	Peterbilt	2013	Active	1XPTD40X7DD163327
Tractor	Tractor	TRACTOR,CONV HYD1 ISX 6X4 PB 232WB 378	Peterbilt	2013	Active	1XPTD49X0DD166234
Tractor	Tractor	TR-16 Wet Kit Tractor 230IN WB ISX-450	Kenworth	2006	Idle	1XKDD40X26R987526
Tractor	Tractor	TRACTOR HYD I ISX	Peterbilt	2009	Active	1XPTD49X29D788910
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X7DD183323
Maintenance Truck	Tractor	TRUCK,CONV ISC 4X2 PB	Peterbilt	2012	Active	2NP2HN7X0CM137974

Specified IP Assets

Serial Number	Country	Prov / Non-Prov	Title	Summary	Filing Date	Patent Number	Grant Date	Expiry date	Status	Excluded IP Right?
2999968	Canada		Pump Integrity Detection, Monitoring and Alarm Generation	Monitoring the operation of frac pumps and generating wear/failure alarms.	3/26/2018				Pending Published	
3010939	Canada		Baffle System for Flowing Particulates into a Frac Fluid Blender	Baffle system for introducing solid particulates into mixing tub of a blender unit.	7/10/2018				Pending Published	
3010947	Canada		Valve Body for Frac Pumps	Valve bodies having an elastomer seal positioned radially inward of metal valve seat.	7/10/2018				Pending Published	
16/946,079	United States	Non-Prov.			6/5/2020				Pending	Yes
62/899,971	United States	Provisional			9/13/2019				Pending	Yes
13/568,468	United States	Non-Prov.	Apparatus and Methods for Assisting in Controlling the Discharge of Material onto a Conveyor from a Dispenser		8/7/2012	9038865	5/26/2015	8/7/2032	Issued	
13/740,835	United States	Non-Prov.	Apparatus and Methods for Assisting in Controlling Material Discharged from a Conveyor		1/14/2013	9260253	2/16/2016	11/25/2032	Issued	
13/787,378	United States	Non-Prov.	Fracturing Pump Assembly and Method Thereof	Fluid end having primary and secondary hydraulic intensifiers driven by an electric motor.	3/6/2013	9322397	4/26/2016	3/1/2034	Issued	
13/868,526	United States	Non-Prov.	Apparatus and Methods for Providing Blended Natural Gas to at Least One Engine	Monitoring/controlling natural gas and methane flow lines to supply a	4/23/2013	9133779	9/15/2015	5/30/2033	Issued	

				blended hydrocarbon gas to an engine.						
13/948,483	United States	Non-Prov.	Apparatus and Methods for Delivering a High Volume of Fluid into an Underground Well Bore from a Mobile Pumping Unit	Single electric motor drives two frac pumps through flex couplings to the pumps.	7/23/2013	9395049	7/19/2016	3/8/2034	Issued	
14/039,980	United States	Non-Prov.	Apparatus and Methods for Measuring and or Adjusting the Height of Material in the Bin of a Hopper Assembly		9/27/2013	9285260	3/15/2016	1/12/2033	Issued	
14/254,057	United States	Non-Prov.	Fixed Frequency High-Pressure High Reliability Pump Drive	Electric control using fixed phase and frequency.	4/16/2014	9945365	4/17/2018	8/6/2036	Issued	Yes
14/298,216	United States	Non-Prov.	Modular Hybrid Low Emissions Power for Hydrocarbon Extraction	Controlling electric motors based on desired fluid flow rate	6/6/2014	10008880	6/26/2018	1/26/2037	Issued	
14/458,068	United States	Non-Prov.	Reciprocating Pump Cavitation Detection and Avoidance	Monitoring fluid pressure and vibration to detect cavitation.	8/12/2014	9410546	8/9/2016	2/14/2035	Issued	
14/567,332	United States	Non-Prov.	Use of Long Chain Amines and Difunctional Compounds as Tracers		12/11/2014	9297252	3/29/2016	6/27/2034	Issued	
14/601,711	United States	Non-Prov.	Method and System for Automatically Adjusting one or More Operational Parameters in a Borehole	System for monitoring frac jobs by comparing real-time data to historical data.	1/21/2015	10036233	7/31/2018	11/1/2035	Issued	
14/661,397	United States	Non-Prov.	Well Screen-Out Prediction and Prevention	System for monitoring frac jobs by comparing real-time data to historical data.	3/18/2015	9803467	10/31/2017	5/10/2036	Issued	
14/871,641	United States	Non-Prov.	Pump Integrity Detection, Monitoring and Alarm Generation	Monitoring valve wear conditions based on pump cycles.	9/30/2015	10317875	6/11/2019	12/15/2036	Issued	

15/149,957	United States	Non-Prov.	Identifying a Component Used in a Well Operation Using a Leaky Coaxial Antenna	Using a leaky coaxial antenna to identify well components at risk for failure.	5/9/2016				Pending Published	
62/704,567	United States	Provisional			5/15/2020				Pending	Yes
62/899,957	United States	Provisional			9/13/2019				Pending	Yes
62/704,565	United States	Provisional			5/15/2020				Pending	Yes
62/900,291	United States	Provisional			9/13/2019				Pending	Yes
15/929,768	United States	Non-Prov.			5/21/2020				Pending	Yes
62/704,395	United States	Provisional			5/8/2020				Pending	Yes
62/899,966	United States	Provisional			9/13/2019				Pending	Yes
16/026,236	United States	Non-Prov.	Fluid End for Frac Pump	Various improvements in the valve, block, packing, and damper of fluid ends - valve bodies having an elastomer seal positioned radially inward of metal valve seat elected.	7/3/2018				Pending Published	
16/026,254	United States	Non-Prov.	Blender for Frac Fluids	Various improvements in the drive train, fluid density measurement, manifold banks, vortex breakers and cooling systems for blender units.	7/3/2018				Pending Published	
16/111,407	United States	Non-Prov.	Far Field Diverter Material	Diverter mat'l for slickwater fluids having dissolvable particles and proppant.	8/24/2018				Pending Published	
15/929,708	United States	Non-Prov.			5/18/2020				Pending	Yes
15/929,710	United States	Non-Prov.			5/18/2020				Pending	Yes
62/704,401	United States	Provisional			5/8/2020				Pending	Yes

62/900,100	United States	Provisional			9/13/2019				Pending	Yes
62/900,112	United States	Provisional			9/13/2019				Pending	Yes
16/946,082	United States	Non-Prov.			6/5/2020				Pending	Yes
62/899,951	United States	Provisional			9/13/2019				Pending	Yes
16/227,987	United States	Non-Prov.	Devices and Related Methods for Hydraulic Fracturing		12/20/2018				Published	Yes
62/704,560	United States	Provisional			5/15/2020				Pending	Yes
62/899,963	United States	Provisional			9/13/2019				Pending	Yes
15/929,924	United States	Non-Prov.			5/29/2020				Pending	Yes
62/705,055	United States	Provisional			6/9/2020				Pending	Yes
62/899,975	United States	Provisional			9/13/2019				Pending	Yes
16/745,724	United States	Reissue	Modular Hybrid Low Emissions Power for Hydrocarbon Extraction	Controlling electric motors based on desired fluid flow rate	1/17/2020					
16/850,787	United States	Reissue	Fixed Frequency High-Pressure High Reliability Pump Drive	Electric control using fixed phase and frequency.	4/16/2020					
62/705,358	United States	Provisional			6/23/2020				Pending	Yes
15/929,652	United States	Non-Prov.			5/14/2020				Pending	Yes
62/704,462	United States	Provisional			5/12/2020				Pending	Yes
62/704,476	United States	Provisional			5/12/2020				Pending	Yes
62/705,334	United States	Provisional			6/22/2020				Pending	Yes
15/929,770	United States	Non-Prov.			5/21/2020				Pending	Yes
62/704,539	United States	Provisional			5/14/2020				Pending	Yes

16/946,291	United States	Non-Prov.			6/15/2020				Pending	Yes
62/704,774	United States	Provisional			5/28/2020				Pending	Yes
62/704,987	United States	Provisional			6/5/2020				Pending	Yes
62/705,188	United States	Provisional			6/15/2020				Pending	Yes
16/946,171	United States	Non-Prov.			6/9/2020				Pending	Yes
62/704,981	United States	Provisional			6/5/2020				Pending	Yes
62/705,042	United States	Provisional			6/9/2020				Pending	Yes
15/929,715	United States	Non-Prov.			5/18/2020				Pending	Yes
62/704,556	United States	Provisional			5/15/2020				Pending	Yes
62/705,328	United States	Provisional			6/22/2020				Pending	Yes
62/705,354	United States	Provisional			6/23/2020				Pending	Yes
62/705,369	United States	Provisional			6/24/2020				Pending	Yes
62/705,357	United States	Provisional			6/23/2020				Pending	Yes
62/705,376	United States	Provisional			6/24/2020				Pending	Yes
62/705,332	United States	Provisional			6/22/2020				Pending	Yes
62/705,356	United States	Provisional			6/23/2020				Pending	Yes
62/705,375	United States	Provisional			6/24/2020				Pending	Yes
16/946,172	United States	Non-Prov.			6/9/2020				Pending	Yes
62/705,050	United States	Provisional			6/9/2020				Pending	Yes
62/705,850	United States				7/17/2020				Pending	Yes

Item	Description

Trademark	U.S. Application No. 88/977,897 filed December 10, 2019 | Awarded July 14, 2020
Trademark	U.S. Application No. 88/977,898 filed December 10, 2019 | Awarded July 14, 2020
Trademark	U.S. Application No. 88/977,899 filed December 10, 2019 | Awarded July 14, 2020
Trademark	U.S. Application No. 88/977,900 filed December 10, 2019 | Awarded July 14, 2020

All trademarks (whether registered or unregistered) owned by Sellers and incorporating the name BJ, BJ Services or variations thereof (the "BJ Services Marks").

SCHEDULE 2

Assumed Contracts and Cure Costs

Assumed Contract	Cure Cost
Sales Contract, dated November 20, 2019, by and between Yanti Jereh Petroleum Equipment & Technologies Co., Ltd. ("Jereh") and BJ Services, LLC (the "Jereh Agreement")	$2,512,797
Mutual Non-Disclosure Agreement, dated July 12, 2019, between American Jereh International Corporation and BJ Services, LLC	$0
Strategic Alliance Agreement, dated January 10, 2020, by and between BJ Services, LLC, and Vericor Power Systems LLC	$0
The following agreements involving Approach Controls, Inc. and BJ Services, LLC:	-
Development and Manufacturing Agreement, dated January 7, 2020, by and between BJ Services, LLC and Approach Controls, Inc.	$660,038
Letter between BJ Services, LLC and Warren Arnholtz, dated January 7, 2020	$0
Letter between BJ Services, LLC and Jeff Aitchison, dated January 7, 2020	$0

Schedule 3

Illustration of Jobs in Progress Costs[1]

Job:	Chevron	Aethon - 1	Aethon - 2	Comstock -1
Compensation	500.48	348.16	304.64	251.45
Contract Labor	1.85	21.59	18.89	18.71
Freight	52.96	20.72	19.34	882.56
Fuel	21.18	16.88	14.77	12.22
Pdt. COGS	71.84	319.45	279.52	877.31
R&M	831.95	510.63	446.80	363.09
Totals	**1,480.27**	**1,237.44**	**1,083.97**	**2,405.33**

Total Expenses Paid			$ 6,207.00
Surcharge		15%	1,241.40
Net Due and Payable			$ 7,448.40

[1] Note that all figures are in thousands and all items and figures are included solely for illustrative purposes and shall not be deemed to be or represent the Jobs in Progress Costs.

EXHIBIT A

Form of Deposit Escrow Agreement

See attached.

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is made and entered into as of July [●], 2020, by and among TES Asset Acquisition, LLC, a Delaware limited liability company ("Buyer"), BJ Services, LLC, a Delaware limited liability company ("Seller Representative") and Citibank, N.A., as escrow agent (the "Escrow Agent"). Capitalized terms used but not defined herein shall have the meanings assigned to them in that certain Asset Purchase Agreement (the "Purchase Agreement"), dated as of July [●], 2020, by and among Seller Representative, BJ Services Holdings Canada ULC, a British Columbia unlimited liability company ("BJC") and Buyer. Each of Buyer and Seller Representative is also referred to herein as a "Party" and, collectively, as the "Parties."

RECITALS

WHEREAS, the Purchase Agreement contemplates the execution and delivery of this Agreement and the deposit by Buyer with the Escrow Agent of an amount equal to USD $3,000,000 (the "Escrow Deposit");

WHEREAS, Buyer and Sellers desire for the Escrow Deposit to be subject to the terms and conditions set forth herein and in the Purchase Agreement;

WHEREAS, BJC has irrevocably constituted and appointed Seller Representative to act as BJC's agent and attorney-in-fact for and on its behalf regarding all actions as Seller Representative shall deem necessary or appropriate, in its discretion, for the accomplishment of the transactions contemplated by this Agreement; and

WHEREAS, Buyer agrees to place or cause to be placed the Escrow Deposit in escrow and the Escrow Agent agrees to hold and distribute such funds in accordance with the terms of this Agreement and the Purchase Agreement.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the Parties and the Escrow Agent agree as follows:

1. Appointment. The Parties hereby appoint the Escrow Agent as their escrow agent for the purposes set forth herein, and the Escrow Agent hereby accepts such appointment and agrees to act as escrow agent in accordance with the terms and conditions set forth herein.

2. Escrow Deposit. Simultaneous with the execution and delivery of this Agreement, Buyer shall deposit with the Escrow Agent the Escrow Deposit in immediately available funds. The Escrow Agent hereby acknowledges receipt of the Escrow Deposit and agrees to hold the Escrow Deposit in a separate and distinct account (the "Escrow Account") subject to and in accordance with the terms and conditions of this Agreement.

3. Investment of Escrow Deposit.

(a) The Escrow Agent shall not invest the Escrow Deposit and shall hold the Escrow Deposit in a "noninterest-bearing deposit account" of Citibank N.A., insured by the Federal Deposit Insurance Corporation (the "FDIC") up to the applicable limits. The Escrow Deposit shall at all times remain available for distribution in accordance with the terms of Section 4 below.

(b) The Escrow Agent shall send an account statement to each of the Parties on a monthly basis reflecting activity in the Escrow Account for the preceding month.

4. Disposition and Termination of the Escrow Deposit. The Parties shall act in accordance with, and the Escrow Agent shall hold and release the Escrow Deposit as provided in, this Section 4 as follows:

(a) Joint Release Instruction.

(i) Subject to Section 4(a)(ii), the Escrow Agent shall hold the Escrow Deposit until Buyer and Seller Representative submit a Joint Release Instruction (as defined below), setting forth the amounts and parties to whom the Escrow Deposit are to be disbursed pursuant to the Purchase Agreement. Upon receipt of such Joint Release Instruction with respect to the Escrow Deposit, the Escrow Agent shall promptly, but in any event within two (2) Business Days after receipt of such Joint Release Instruction, disburse the Escrow Deposit in accordance with such Joint Release Instruction.

(ii) Any instructions setting forth, claiming, containing, objecting to, or in any way related to the transfer or distribution of any funds on deposit in any Escrow Account under the terms of this Agreement must be in writing, executed by the appropriate Party or Parties as evidenced by the signatures of the Person or Persons (an "Authorized Representative") set forth on Exhibit A-1 and Exhibit A-2 and delivered to the Escrow Agent attached to an e-mail received on a Business Day from an e-mail address set forth in Section 11 (with receipt by the Escrow Agent confirmed). In the event a Joint Release Instruction or Final Determination is delivered to the Escrow Agent in accordance with this Agreement, the Escrow Agent is authorized to seek confirmation of such instruction by telephone call back to the Person or Persons designated in Exhibit A-1 and Exhibit A-2 annexed hereto (the "Call Back Authorized Individuals"), and the Escrow Agent may rely upon the confirmations of anyone purporting to be a Call Back Authorized Individual. To assure accuracy of the instructions it receives, the Escrow Agent may record such call backs. If the Escrow Agent is unable to verify the instructions, or is not reasonably satisfied with the verification it receives, it will not execute the instruction until all such issues have been resolved to the reasonable satisfaction of the Escrow Agent. The Persons and telephone numbers for call backs may be changed only in a writing, executed by an Authorized Representative and actually received and acknowledged by the Escrow Agent in accordance with Section 11.

(b) Final Determination. If at any time any of the Parties receives a Final Determination, such Party shall concurrently deliver to the Escrow Agent and the other Party a copy of such Final Determination, and then upon receipt by the Escrow Agent of a copy of such Final Determination from any Party, the Escrow Agent shall (i) promptly deliver a courtesy copy of such Final Determination to the other Parties and (ii) on the fifth (5^{th}) Business Day following receipt by the Escrow Agent of the Final Determination, disburse as directed, part or all, as the case may be, of the Escrow Deposit (but only to the extent such funds are available in the Escrow Account) in accordance with such Final Determination. Subject to the terms of this Section 4(b), the Escrow Agent will act on such Final Determination without further inquiry.

(c) Method of Payment. All payments of any part of the Escrow Deposit shall be made by wire transfer of immediately available funds as set forth in the Joint Release Instruction or Final Determination, as applicable.

(d) Certain Definitions.

(i) "Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are not required or authorized by Law to be closed in New York, New York.

(ii) "Final Determination" means a final non-appealable order of any court of competent jurisdiction which may be issued with respect to the ownership or disbursement of Escrow

Deposit, together with (A) a certificate executed by an Authorized Representative of the prevailing Party (as between Buyer and Seller Representative) to the effect that such order is final and non-appealable and from a court of competent jurisdiction having proper authority and (B) the written payment instructions executed by an Authorized Representative of the prevailing Party to effectuate such order.

(iii) "Governmental Entity" means any nation or government, any state, province or other political subdivision thereof, any entity exercising executive, legislative, judicial or regulatory or administrative functions of or pertaining to government, including any court, arbitrator or other body or administrative, regulatory or quasi-judicial authority, agency, department, board, commission or instrumentality of any federal, state, local or foreign jurisdiction.

(iv) "Joint Release Instruction" means the joint written instruction executed by an Authorized Representative of each of Buyer and Seller Representative, which is executed by Buyer and Seller Representative, to the Escrow Agent directing the Escrow Agent to disburse all or a portion of the Escrow Deposit, as applicable.

(v) "Person" means any natural person, sole proprietorship, partnership, joint venture, trust, unincorporated association, corporation, limited liability company, entity or Governmental Entity.

5. Escrow Agent. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, which shall be deemed purely ministerial in nature, and no duties, including but not limited to any fiduciary duties, shall be implied. The Escrow Agent shall give the property held in escrow by it hereunder the same degree of care that it gives its own similar property, which in no event shall be less than the standard of care reasonably expected of a professional escrow agent. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply with, the terms and conditions of any other agreement, instrument or document between the Parties, in connection herewith, if any, other than for purposes of the defined terms used but not defined herein, nor shall the Escrow Agent be required to determine if any Person has complied with any such agreements, nor shall any additional obligations of the Escrow Agent be inferred from the terms of such agreements, even though reference thereto may be made in this Agreement. Notwithstanding the terms of any other agreement between the Parties, the terms and conditions of this Agreement will control the actions of Escrow Agent. The Escrow Agent may rely upon and shall not be liable in the absence of its fraud, gross negligence or willful misconduct for acting or refraining from acting upon any Joint Release Instruction or Final Determination furnished to it hereunder and reasonably believed by it to be genuine and to have been signed by the proper Party or Parties. Concurrent with the execution of this Agreement, the Parties shall deliver to the Escrow Agent authorized signers' forms in the form of **Exhibit A-1** and **Exhibit A-2** attached hereto. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Escrow Agent shall have no duty to solicit any payments which may be due it or the Escrow Deposit. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be (a) delivered a Joint Release Instruction that eliminates such conflict or (b) directed otherwise in a Final Determination. The Escrow Agent may after 30 days' notice to each Party of its intention to do so interplead all of the assets held hereunder into a court of competent jurisdiction or may seek a declaratory judgment with respect to certain circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or nonaction based on such declaratory judgment. The Escrow Agent may consult with legal counsel of its selection in the event of any dispute or question as to the meaning or construction of any of the provisions of, or its duties under, this Agreement. The Escrow Agent shall have no liability or

obligation with respect to the Escrow Deposit except for the Escrow Agent's fraud, gross negligence or willful misconduct, as adjudicated by a court of competent jurisdiction. To the extent practicable, the Parties agree to pursue any redress or recourse in connection with any dispute (other than with respect to a dispute involving the Escrow Agent) without making the Escrow Agent a party to the same. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable, directly or indirectly, for any (a) damages, losses or expenses arising out of the services provided under this Agreement, other than damages, losses or expenses which result from the Escrow Agent's fraud, gross negligence or willful misconduct, as adjudicated by a court of competent jurisdiction or (b) special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

6. Resignation and Removal of Escrow Agent. The Escrow Agent (a) may resign and be discharged from its duties or obligations hereunder by giving 30 calendar days advance notice in writing of such resignation to the Parties specifying a date when such resignation shall take effect or (b) may be removed, with or without cause, by Buyer and Seller Representative acting jointly at any time by providing written notice to the Escrow Agent. Any corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the escrow business of the Escrow Agent's line of business may be transferred, shall be the Escrow Agent under this Agreement without further act. The Escrow Agent's sole responsibility after such 30 day notice period expires or after receipt of written notice of removal shall be to hold and safeguard the Escrow Deposit (without any obligation to reinvest the same) and to deliver the same (x) to a substitute or successor escrow agent pursuant to a joint written designation from the Parties, (y) as set forth in a Joint Release Instruction, at which time of delivery the Escrow Agent's obligations under this Agreement shall cease and terminate or (z) in accordance with the directions of a Final Determination, at which time of delivery, the Escrow Agent's obligations hereunder shall cease and terminate. In the event the Escrow Agent resigns, if the Parties have failed to appoint a successor escrow agent prior to the expiration of 30 calendar days following receipt of the notice of resignation, the Escrow Agent may petition any court of competent jurisdiction for the appointment of such a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon all of the Parties.

7. Fees and Expenses. All fees and expenses of the Escrow Agent are described in Schedule 1 attached hereto. The fees agreed upon for the services to be rendered hereunder are intended as full compensation for the Escrow Agent services as contemplated by this Agreement and shall be borne by the Parties one half by Buyer and one half by Seller Representative.

8. Indemnity. Each of Buyer and Seller Representative (on behalf of itself and BJC) agrees to jointly and severally indemnify the Escrow Agent and its Affiliates and their respective successors, assigns, directors, officers, agents and employees (the "Indemnitees") from and against any and all losses, damages, claims, liabilities, penalties, judgments, settlements, actions, suits, proceedings, litigation, investigations, costs or expenses (including the reasonable and documented fees and expenses of one outside counsel and experts and their staffs and reasonable and documented out-of-pocket expenses of document location, duplication and shipment) (collectively "Escrow Agent Losses") arising out of or in connection with: (a) the Escrow Agent's execution and performance of this Agreement, tax reporting or withholding, the enforcement of any rights or remedies under or in connection with this Agreement, or as may arise by reason of any act, omission or error of an Indemnitee, except to the extent that such Escrow Agent Losses, as adjudicated by a court of competent jurisdiction, have been caused by the fraud, gross negligence or willful misconduct of the Escrow Agent or any such Indemnitee or (b) its following any Joint Release Instruction or other proper directions from the Parties received in accordance with this Agreement, except to the extent that its following any such instruction or direction is not permitted under

the terms hereof or applicable Law. Notwithstanding anything to the contrary herein, Buyer and Seller Representative (on behalf of itself and BJC) agree, solely as between themselves, that any obligation for indemnification under this Section 8 shall be borne by the Party or Parties determined by a court of competent jurisdiction to be responsible for causing the loss, damage, liability, cost or expense against which the Escrow Agent is entitled to indemnification or, if no such determination is made, then one-half by Buyer and one-half by Seller Representative. The provisions of this Section 8 shall survive the resignation or removal of the Escrow Agent and the termination of this Agreement for a period of 12 months following such resignation or removal of the Escrow Agent or termination of this Agreement, as applicable. The obligations of Sellers under this Section 8 shall be several and not joint.

9. Tax Matters. The Escrow Agent, its Affiliates, and its employees are not in the business of providing tax or legal advice to any taxpayer outside of Citigroup, Inc. and its Affiliates. This Agreement and any amendments or attachments are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer or for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

10. Covenant of Escrow Agent. The Escrow Agent hereby agrees and covenants with Buyer and Seller Representative that it shall perform all of its obligations under this Agreement and shall not deliver custody or possession of any of the Escrow Deposit to anyone except pursuant (a) to the express terms of this Agreement or (b) as otherwise required by Law (*provided*, that in the case of clause (b), the Escrow Agent will provide the Parties with prior written notice of such delivery).

11. Notices. All notices, demands, requests, instructions, claims, consents, waivers and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered (or, if delivery is refused, upon presentment), received by email (with hard copy to follow) prior to 5:00 p.m. Eastern Time on a Business Day (or the next Business Day if after 5:00 p.m.), (b) on the next day if delivered by reputable overnight express courier (charges prepaid), or (c) three (3) calendar days following mailing by certified or registered mail, postage prepaid and return receipt requested. Unless another address is specified in writing, notices, demands and communications to Buyer, Seller Representative and the Escrow Agent shall be sent to the addresses indicated below:

if to Seller Representative, then to:

BJ Services, LLC
11211 FM 2920 Rd.
Tomball, Texas 77375
Attn: John R. Bakht, General Counsel
Email: john.bakht@bjservices.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attn: Joshua A. Sussberg
Christopher T. Greco
E-mail: joshua.sussberg@kirkland.com
cgreco@kirkland.com

or, if to Buyer, then to:

TES Asset Acquisition, LLC
700 Louisiana Street, Suite 2700
Houston, Texas 77002
Attn: Charles S. Leykum
Kent Jamison
Email: charlie@cslenergy.com
kent@cslenergy.com

with a copy (which shall not constitute notice) to:

Winston & Strawn LLP
2121 N. Pearl Street, Suite 900
Dallas, Texas 75201
Attn: David Lange
Email: dlange@winston.com

or, if to the Escrow Agent, then to:

Citibank, N.A.
Attn: Rola Tseng-Pappalardo
Citi Private Bank
388 Greenwich Street, 29th Floor
Telephone.: 212-783-7030
Facsimile.: 212-783-7131
E-mail: rola.tsengpappalardo@citi.com

12. Termination. This Agreement shall terminate on the first to occur of (a) the distribution of all of the amounts in the Escrow Account in accordance with this Agreement or (b) delivery to the Escrow Agent of a written notice of termination executed jointly by an Authorized Representative of both Buyer and Seller Representative after which this Agreement shall be of no further force and effect except that the provisions of Section 8 and Section 20 hereof shall survive termination for the time period specified therein.

13. Miscellaneous. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the Parties and the Escrow Agent. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any Party, except as provided in Section 6 and Section 16, without the prior consent of the other Party and the Escrow Agent. This Agreement shall be governed by and construed under the laws of the State of Delaware. Each Party and the Escrow Agent irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the exclusive jurisdiction of the Chancery Court of the State of Delaware or the Federal District Court for the District of Delaware. EACH PARTY AND THE ESCROW AGENT HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES AND/OR THE ESCROW AGENT (WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIPS ESTABLISHING AMONG THE PARTIES HEREUNDER. THE PARTIES AND THE ESCROW AGENT FURTHER WARRANT AND REPRESENT THAT

EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. This Agreement and any Joint Release Instruction may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the Parties and the Escrow Agent to this Agreement may be transmitted by electronic transmission in .pdf and such .pdf will, for all purposes, be deemed to be the original signature of such Party and the Escrow Agent whose signature it reproduces, and will be binding upon such Party and the Escrow Agent. If any provision of this Agreement is determined to be prohibited or unenforceable by reason of any applicable law of a jurisdiction, then such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof, and any such prohibition or unenforceability in such jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. The Parties represent, warrant and covenant that each document, notice, instruction or request provided by such Party to the Escrow Agent shall comply with applicable Laws and regulations. Where, however, the conflicting provisions of any such applicable Law may be waived, they are hereby irrevocably waived by the Parties and the Escrow Agent to the fullest extent permitted by Law, to the end that this Agreement shall be enforced as written. Except as expressly provided in Section 8, nothing in this Agreement, whether express or implied, shall be construed to give to any Person or entity other than the Escrow Agent and the Parties any legal or equitable right, remedy, interest or claim under or in respect of this Agreement or any funds escrowed hereunder. Buyer and Seller Representative agree, solely as between themselves, that, notwithstanding anything to the contrary contained in this Agreement or in any other agreement, in the event of any conflict or inconsistency between the terms of this Agreement (on the one hand) and the Purchase Agreement (on the other hand), the terms of the Purchase Agreement shall govern.

14. Compliance with Court Orders. In the event that any Escrow Deposit shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the property deposited under this Agreement, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, *provided, however*, the Escrow Agent shall immediately notify each of the Parties, to the extent legally permissible, of any such writ, order or decree as well as the course of action the Escrow Agent intends to take upon the advice of its legal counsel. In the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other Person, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

15. Further Assurances. From and after the date of this Agreement, as requested by any Party or the Escrow Agent but without further consideration, each Party and the Escrow Agent shall execute and deliver or cause to be executed and delivered any such further information, instruments and documents as the other Party or the Escrow Agent, as applicable, shall reasonably request to consummate or confirm the transactions provided for herein, to accomplish the purpose hereof or to assure the other Party or the Escrow Agent the benefits hereof.

16. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and the Escrow Agent and their respective successors and assigns; *provided*, that except as expressly set forth below and expressly contemplated with regard to the Escrow Agent in Section 6, neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by any Party or the Escrow Agent (including by operation of Law) without the

prior written consent of the other Party and the Escrow Agent. Any attempted assignment not in accordance with the terms of this Section 16 shall be null and void *ab initio*.

17. Force Majeure. The Escrow Agent shall not incur any liability for not performing any act or fulfilling any obligation hereunder by reason of any occurrence beyond its control (including, but not limited to, any provision of any present or future Law or regulation or any act of any governmental authority, any act of God or war or terrorism, or the unavailability of the Federal Reserve Bank wire services or any electronic communication facility), it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

18. Compliance with Federal Law. To help the U.S. Government fight the funding of terrorism and money laundering activities and to comply with federal law requiring financial institutions to obtain, verify and record information on the source of funds deposited to an account, the Parties agree to provide the Escrow Agent with the name, address, taxpayer identification number, and remitting bank for all Parties depositing funds with the Escrow Agent pursuant to the terms and conditions of this Agreement. For a non-individual Person such as a business entity, a charity, a trust or other legal entity, the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

19. Use of Citibank Name. No publicly distributed printed or other material in any language, including prospectuses, notices, reports, and promotional material which mentions "Citibank" by name or the rights, powers, or duties of the Escrow Agent under this Agreement shall be issued by a Party, or on such Party's behalf, without the prior written consent of the Escrow Agent.

20. Confidentiality. Except as required by Law, Escrow Agent agrees to keep confidential, and to cause any of its Affiliates or agents to keep confidential and not to disclose any and all documents, materials, and any other non-public information which it shall have obtained regarding the Parties in connection with the execution and delivery of this Agreement and its performance of its duties and obligations hereunder. This Section 20 shall survive termination of this Agreement for a period of twelve (12) months after such termination.

* * * * *

IN WITNESS WHEREOF, each of the Parties and the Escrow Agent have executed this Agreement as of the date set forth above.

BUYER:

TES ASSET ACQUISITION, LLC

By: _____
Name:
Its:

SELLER REPRESENTATIVE:

BJ SERVICES, LLC

By: _____
Name:
Its:

ESCROW AGENT:

CITIBANK, N.A.

By: _____
Name:
Its:

Schedule 1

ESCROW AGENT FEE SCHEDULE
Citibank, N.A., Escrow Agent

Acceptance Fee
To cover the acceptance of the Escrow Agent's appointment, the study of the Agreement, and supporting documents submitted in connection with the execution and delivery thereof, and communication with other members of the working group:

Fee: Waived.

Administration Fee
The annual administration fee covers maintenance of the Escrow Account including safekeeping of assets in the Escrow Account, normal administrative functions of the Escrow Agent, including maintenance of the Escrow Agent's records, follow-up of the Agreement's provisions, and any other safekeeping duties required by the Escrow Agent under the terms of the Agreement. Fee is based on Escrow Deposit being deposited in a "noninterest bearing deposit account", of Citibank, N.A., FDIC insured to the applicable limits.

Fee: Waived.

Tax Preparation Fee
To cover preparation and mailing of Forms 1099-INT, if applicable for the escrow parties for each calendar year:

Fee: Waived.

Transaction Fees
To oversee all required disbursements or release of property from the Escrow Account to any escrow party, including cash disbursements made via check and/or wire transfer, fees associated with postage and overnight delivery charges incurred by the Escrow Agent as required under the terms and conditions of the Agreement:

Fee: Waived.

Other Fees
Material amendments to the Agreement: additional fee(s), if any, to be discussed at time of amendment.

TERMS AND CONDITIONS: The above schedule of fees does not include charges for out-of-pocket expenses or for any services of an extraordinary nature that Citibank or its legal counsel may be called upon from time to time to perform. Fees are also subject to satisfactory review of the documentation, and Citibank reserves the right to modify them should the characteristics of the transaction change. Citibank's participation in this program is subject to internal approval of the third party depositing monies into the escrow account to be established hereunder. The Acceptance Fee, if any, is payable upon execution of the Agreement. Should this schedule of fees be accepted and agreed upon and work commenced on this program but subsequently halted and the program is not brought to market, the Acceptance Fee and legal fees incurred, if any, will still be payable in full.

EXHIBIT A-1

Certificate as to Buyer's Authorized Signatures

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Buyer and are authorized to initiate and approve transactions of all types for the Escrow Account or accounts established under this Agreement, on behalf of Buyer. The below listed Persons (must list at least two individuals, if applicable) have also been designated Call Back Authorized Individuals and will be notified by Citibank N.A. upon the release of Escrow Deposit from the Escrow Account.

Name / Title / Telephone	Specimen Signature
Name	Signature
Title	
Phone	Mobile Phone
Name	Signature
Title	
Phone	Mobile Phone
Name	Signature
Title	
Telephone	Mobile Phone

NOTE: Actual signatures are required above. Electronic signatures, "Docusigned" signatures and/or signature fonts are not acceptable.

EXHIBIT A-2

Certificate as to Seller Representative's Authorized Signatures

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Seller Representative and are authorized to initiate and approve transactions of all types for the Escrow Account or accounts established under this Agreement, on behalf of Seller Representative. The below listed Persons (must list at least two individuals, if applicable) have also been designated Call Back Authorized Individuals and will be notified by Citibank N.A. upon the release of Escrow Deposit from the Escrow Account.

Name / Title / Telephone	Specimen Signature
Name	Signature
Title	
Phone	Mobile Phone
Name	Signature
Title	
Phone	Mobile Phone
Name	Signature
Title	
Telephone	Mobile Phone

NOTE: Actual signatures are required above. Electronic signatures, "Docusigned" signatures and/or signature fonts are not acceptable.

EXHIBIT B

Bidding Procedures for the Sale of the Debtors' Fracking Equipment and Intellectual Property

See attached.

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	(Emergency Hearing Requested)

BIDDING PROCEDURES FOR THE SALE OF THE DEBTORS' FRACKING EQUIPMENT AND INTELLECTUAL PROPERTY

On July 20, 2020, BJ Services, LLC and certain of its subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Court"). On July 24, the Debtors filed the *Debtors' Emergency Motion for Entry of an Order (I) Approving the Bidding Procedures with Respect to Certain of the Debtors' Fracking Equipment and Intellectual Property, (II) Scheduling an Auction And A Sale Hearing, (III) Approving The Form And Manner Of Notices Related Thereto, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Motion"), seeking approval of, among other things, the procedures to determine the highest or otherwise best offer for the sale (the "Sale" or "Transaction") of the Debtors' right, title, and interest in certain vendor contracts and intellectual property related to the Debtors' next-generation fracturing pump platform referred to as TITAN™ (the "Titan Assets"), certain of the Debtors' other intellectual property assets (including the "BJ Services" name) (the "Intellectual Property"), and certain machinery and equipment (the "M&E Assets," and together with the Intellectual Property and Titan Assets, the "Assets").[2]

On July 24, 2020, BJ Services, LLC ("BJS") and BJ Services Holdings Canada, ULC (together with BJS, each a "Seller" and collectively the "Sellers") entered into that certain asset purchase agreement (the "Stalking Horse Agreement") with TES Asset Acquisition, LLC

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] The Transaction may be structured as an asset sale, equity sale, plan of reorganization, or otherwise, as determined by the Debtors in consultation with the Winning Bidder (as defined below).

(the "Stalking Horse Bidder"), pursuant to which, among other things, the Stalking Horse Bidder proposed to purchase, acquire, and/or take assignment and delivery of the Purchased Assets.[3]

On [●], 2020, the Bankruptcy Court entered an *Order (I) Approving the Bidding Procedures with Respect to Certain of the Debtors' Fracking Equipment and Intellectual Property, (II) Scheduling an Auction And A Sale Hearing, (III) Approving The Form And Manner Of Notices Related Thereto, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Order," and the procedures contemplated herein, the "Bidding Procedures"). Pursuant to the Bidding Procedures, the Debtors are authorized to select the Stalking Horse Bidder (as defined below) and after announcing the Stalking Horse Bidder, if any, solicit further Bids (as defined below) culminating in an auction intended to obtain a higher or otherwise better Bid for the Transaction (the "Auction").

Key Dates

The key dates for the Sale are as follows. Such dates may be extended or otherwise modified by the Debtors.

Date	Event
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders Deadline	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
File Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Objection Deadline	August 13, 2020, at 4:00 p.m. (prevailing Central Time)
Sale Hearing	No later than August 14, 2020

Sale Process

I. Participation Requirements.

To receive due diligence information, including full access to the Debtors' electronic data room and to additional non-public information regarding the Debtors, a party interested in

[3] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Stalking Horse Agreement.

consummating the Transaction (each, a "Potential Bidder") must deliver to Simmons, the following documents (the "Preliminary Bid Documents"):

(a) an executed Confidentiality Agreement on terms reasonably acceptable to the Debtors, to the extent not already executed; and

(b) if requested, proof or other documentation acceptable to the Debtors, after consultation with the Consultation Parties (as defined below), of the Potential Bidder's financial capacity to close a proposed Transaction and provide adequate assurance of future performance under any executory contracts and unexpired leases to be assumed by the Debtors and assigned to such Potential Bidder pursuant to section 365 of the Bankruptcy Code, in connection with the Transaction.

The Debtors and their advisors will coordinate all reasonable requests from Potential Bidders for additional information and due diligence access; *provided* that the Debtors may decline to provide such information to Potential Bidders who, at such time and in the Debtors' business judgment, after consultation with the Consultation Parties, have not established, or who have raised doubt, that such Potential Bidder intends in good faith to, or has the capacity to, consummate the Transaction.

Each Potential Bidder shall comply with all reasonable requests for additional information and due diligence access by the Debtors, the official committee of unsecured creditors (the "Committee"), if any, or their respective advisors regarding such Potential Bidder and its contemplated Transaction.

Stalking Horse Bid

On July 24, 2020, the Debtors entered into the Stalking Horse Agreement with the Stalking Horse Bidder, pursuant to which, among other things: the Stalking Horse Bidder proposed to (a) purchase, acquire, and take assignment and delivery of, free and clear of all liens, claims encumbrances and other interests (except as provided in the Stalking Horse Agreement), the Assets, and certain executory contracts and unexpired leases and designation rights related thereto, and (b) assume the assumed liabilities (as defined in the Stalking Horse Agreement) (collectively the "Stalking Horse Agreement") on the terms set forth in the Stalking Horse Purchase Agreement, subject to higher or better bids.

Process for Additional Qualified Bids and Auction

The Debtors will solicit further Bids intended to obtain a higher or otherwise best Bid for the Transaction.

A. Bid Deadline.

A Potential Bidder that desires to make a proposal, solicitation, or offer (each, a "Bid") shall transmit such proposal, solicitation, or offer via email (in .pdf or similar format) so as to be

actually received on or before **August 10, 2020, at 11:59 p.m. (prevailing Central Time)** (the "Bid Deadline") to:

(i) Simmons, 609 Main Street, Suite 3800, Houston, Texas 77002, Attn: Sanjiv Shah (sanjiv.shah@simmonspsc.com); Tim McEuen (Tim.McEuen@simmonspsc.com); Steve Erzinger (Steve.Erzinger@simmonspsc.com), and Kirby Stockard (Kirby.Stockard@simmonspsc.com);

(ii) Kirkland & Ellis LLP, 601 Lexington Ave New York, New York 10022, Attn: Joshua A. Sussberg (jsussberg@kirkland.com) and Christopher T. Greco (cgreco@kirkland.com), and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha Lawrence (samantha.lawrence@kirkland.com) and Josh M. Altman (josh.altman@kirkland.com); and

(iii) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn: Jason S. Brookner (brookner@grayreed.com), Paul D. Moak (pmoak@grayreed.com), and Amber M. Carson (acarson@grayreed.com).

B. Bid Requirements.

Each Bid by a Potential Bidder must be submitted in writing and satisfy the following requirements (collectively, the "Bid Requirements"):

(i) **Purpose**. Each Potential Bidder must state that the Bid is an offer to purchase certain of the Assets and state which assets with specificity.

(ii) **Purchase Price**. Each Bid must clearly set forth the terms of any proposed Transaction, including and identifying separately any cash and non-cash components of the proposed Transaction consideration (the "Purchase Price") and allocating the Purchase Price among the assets.

(iii) **Deposit**. Each Bid must be accompanied by a cash deposit in the amount equal to 10% of the aggregate value of the proposed Purchase Price of the Bid to be held in a separate account for the benefit of the Debtors (the "Deposit").

(iv) **Marked Agreement**. Each Bid must include a signed asset purchase agreement, together with all exhibits and schedules thereto, the form of which will be provided to any Potential Bidder before the Bid Deadline, along with a redline version of such agreement relative to the Stalking Horse Agreement, attached hereto as **Exhibit B**, pursuant to which the Qualified Bidder proposes to effectuate the Transaction (collectively, the "Transaction Documents").

(v) **Committed Financing**. To the extent that a Bid is not accompanied by evidence of the Potential Bidder's capacity to consummate the Transaction set forth in its Bid with cash on hand, each Bid must include committed financing documented to the Debtors' satisfaction after consultation with the Consultation Parties that

demonstrates that the Potential Bidder has received sufficient debt and/or equity funding commitments to satisfy the Potential Bidder's Purchase Price and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals.

(vi) **Contingencies; No Financing or Diligence Outs**. A Potential Bidder's Bid cannot contain any financing, diligence or other contingencies of any nature not included in the Stalking Horse Agreement.

(vii) **Binding and Irrevocable**. An Acceptable Bidder's Bid must be irrevocable unless and until the Debtors accept a higher Bid and such Acceptable Bidder is not selected as the Backup Bidder (as defined below).

(viii) **Identity**. Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Potential Bidder if such Potential Bidder is an entity formed for the purpose of consummating the proposed Transaction contemplated by such Bid), and the complete terms of any such participation. Each Bid should also include contact information for the specific person(s), counsel, and other advisor whom Simmons and Kirkland & Ellis LLP should contact regarding such Bid.

(ix) **Adequate Assurance Information**. Each Bid must be accompanied by sufficient and adequate financial and other information to demonstrate, to the satisfaction of the Debtors, that such Potential Bidder (a) has the financial wherewithal and ability to consummate the Transaction designated in the applicable purchase agreement, and (b) can provide adequate assurance of future performance in connection the Transaction.

(x) **Authorization**. Each Bid must contain evidence acceptable to the Debtors that the Potential Bidder has obtained authorization or approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid, execution, and delivery of the Transaction Documents, and the consummation of the Transaction contemplated in such Bid.

(xi) **No Fees**. Each Potential Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed Transaction, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.

(xii) **Time Frame for Closing**. A Bid by a Potential Bidder must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors.

(xiii) **Adherence to Bidding Procedures**. By submitting its Bid, each Potential Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.

C. Minimum Value.

The Bid must provide for a (i) a cash Purchase Price equal to: (a) the Purchase Price set forth in the Stalking Horse Bid, plus (b) $500,000 (the "Minimum Value").

D. Designation of Qualified Bidders.

A Bid will be considered a "Qualified Bid," and each Potential Bidder that submits a Qualified Bid will be considered a "Qualified Bidder," if the Debtors, after consultation with the Consultation Parties, determine that such Bid:

(i) satisfies the Bid Requirements set forth above;

(ii) provides a Purchase Price that exceeds the Minimum Value; and

(iii) is reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors and the Committee.

The Debtors will notify each Qualified Bidder and the Stalking Horse Bidder whether such party is a Qualified Bidder and shall provide the Notice Parties a copy of each Qualified Bid by the Notice of Qualified Bidders Deadline. At such time, the Debtors shall also distribute copies of the Qualified Bids to the Stalking Horse Bidder and each Qualified Bidder.

If any Bid is determined by the Debtors not to be a Qualified Bid, the Potential Bidder shall be notified by the Debtors, and shall have until **the start of the Auction** to modify its Bid to increase the Purchase Price or otherwise improve the terms of the Bid for the Debtors; *provided* that any Qualified Bid may be improved at the Auction as set forth herein.

Between the date the Debtors notify a Potential Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their Purchase Price, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; and *in addition*, any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

Notwithstanding anything herein to the contrary, the Debtors reserve the right to work with (a) Potential Bidders and Potential Bidders to aggregate two or more Bids into a single

consolidated Bid or (b) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction. The Debtors reserve the right to cooperate with any Potential Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtors may accept a single Qualified Bid or multiple Bids that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple bidders shall be treated as a single Qualified Bidder for purposes of the Auction).

The Stalking Horse Bidder shall be deemed to be a Qualified Bidder, the Stalking Horse Bid shall be deemed a Qualified Bid, and the Stalking Horse Bidder may participate in the Auction with respect to the Assets.

E. No Qualified Bids.

If the Debtors have received no Qualified Bids other than a Stalking Horse Bid as of the Bid Deadline, then the Auction will not occur and the Stalking Horse Bidder will be deemed the Winning Bid (as defined below). The Debtors reserve all rights to extend the Bid Deadline to such later date that the Debtors believe is necessary, in their sole discretion, to obtain additional Qualified Bids.

F. The Auction.

If the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Bid, the Debtors will conduct the Auction to determine the Winning Bidder with respect to the Transaction.

Prior to the Auction, the Debtors and their advisors will notify all Qualified Bidders and the Stalking Horse Bidder of the highest or otherwise best Qualified Bid, as determined in the Debtors' business judgment (the "Baseline Bid"), and provide copies of the documents supporting the Baseline Bid to all Qualified Bidders, the Stalking Horse Bidder, the Committee, if any, and the Notice Parties. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Winning Bid shall take into account any factors the Debtors, after consultation with the Consultation Parties, reasonably deem relevant to the value of the Qualified Bid to the Debtors' estates, including, among other things: (a) the number, type, and nature of any changes to the Stalking Horse Agreement requested by the Qualified Bidder; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close the Transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtors' estates from the Transaction contemplated by the Baseline Bid; (e) the tax consequences of such Qualified Bid; and (f) impact to vendors, landlords, and employees (collectively, the "Bid Assessment Criteria").

The Auction shall take place at **a time to be determined no later than August 12, 2020**, by remote video as will be indicated in the Auction Notice, or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties. The Auction shall be conducted in a timely fashion according to the following procedures:

(i) The Debtors and their professionals shall direct and preside over the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid. All incremental Bids made thereafter shall be Overbids (as defined below) and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction.

(ii) Only Qualified Bidders (including the Stalking Horse Bidder), the Debtors, the Consultation Parties, and each of their respective legal and financial advisors, and any other parties specifically invited or permitted to attend by the Debtors, shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Except as otherwise permitted by the Debtors, only Qualified Bidders shall be entitled to bid at the Auction.

(iii) **Terms of Overbids**. "Overbid" means any Bid made at the Auction by a Qualified Bidder subsequent to the Debtors' announcement of the Baseline Bid, including any by the Stalking Horse Bidder. Each Overbid must comply with the following conditions:

(a) Minimum Overbid Increment. Any Overbid following the Baseline Bid or following any subsequent Prevailing Highest Bid (as defined below) shall be in increments of $500,000, unless otherwise determined by the Debtors in an exercise of their business judgment (the "Overbid Increment").

(b) Conclusion of Each Overbid Round. Upon the solicitation of each round of Overbids, the Debtors may announce a deadline (as the Debtors may, in their business judgment, extend from time to time, the "Overbid Round Deadline") by which time any Overbids must be submitted to the Debtors.

(c) Overbid Alterations. An Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtors' estates than any prior Qualified Bid or Overbid, as determined in the Debtors' business judgment after consultation with the Consultation Parties, but shall otherwise comply with the terms of these Bidding Procedures.

(d) Announcing Highest Bid. Subsequent to each Overbid Round Deadline, the Debtors shall announce whether the Debtors have identified an Overbid as being higher or otherwise better than the Baseline Bid, in the initial Overbid Round, or, in subsequent rounds, the Overbid previously designated by the Debtors as the prevailing highest or otherwise best Bid (the "Prevailing Highest Bid"). The Debtors shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtors as the Prevailing Highest Bid, as well as the value attributable by the Debtors to

such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria. For the avoidance of doubt, the Prevailing Highest Bid may be multiple Qualified Bids if, in the Debtors business judgment, such bids, taken together, are the highest or otherwise best Bid.

(iv) **Consideration of Overbids**. The Debtors reserve the right, in their business judgment, after consultation with the Consultation Parties, to adjourn the Auction one or more times, to, among other things (i) facilitate discussions between the Debtors and Potential Bidders, (ii) allow Qualified Bidders to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their business judgment, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed Transaction at the prevailing Overbid amount.

(v) **Closing the Auction**. The Auction shall continue until there is only one Qualified Bid that the Debtors determine, in their business judgment, after consultation with the Consultation Parties, to be the highest or otherwise best Qualified Bid. Such Qualified Bid shall be declared the winning bid (the "Winning Bid") and such Qualified Bidder, the winning bidder (the "Winning Bidder"), at which point the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid. Such acceptance by the Debtors of the Winning Bid is conditioned upon approval by the Court of the Winning Bid. For the avoidance of doubt, nothing in these Bidding Procedures shall prevent the Debtors from exercising their respective fiduciary duties under applicable law. As soon as reasonably practicable after closing the Auction, the Debtors shall finalize definitive documentation to implement the terms of the Winning Bid, and, as applicable, cause such definitive documentation to be filed with the Court.

(vi) **No Collusion; Good-Faith *Bona Fide* Offer**. Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (i) it has not engaged in any collusion with respect to the bidding and (ii) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Transaction if selected as the Winning Bidder.

G. Backup Bidder.

(i) Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid at the Auction, as determined by the Debtors in the exercise of their business judgment, after consultation with the Consultation Parties, shall be required to serve as a backup bidder (the "Backup Bidder") until such time that the Transaction is consummated upon entry of an order approving the Sale under section 363 of the Bankruptcy Code, and each Qualified Bidder shall

agree and be deemed to agree to be the Backup Bidder if so designated by the Debtors.

(ii) The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtors, at the conclusion of the Auction at the same time the Debtors announce the identity of the Winning Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until such time that the Transaction is consummated upon entry of an order approving the Transaction under section 363 of the Bankruptcy Code. The Backup Bidder's Deposit shall be held in a separate account pending approval of the Transaction by court order.

(iii) If the Winning Bidder fails to consummate the approved Transaction contemplated by its Winning Bid, the Debtors may select the Backup Bidder as the Winning Bidder, and such Backup Bidder shall be deemed a Winning Bidder for all purposes. The Debtors will be authorized, but not required, to consummate the Transaction contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Winning Bidder's Deposit shall be forfeited to the Debtors' estates, and the Debtors, on behalf of themselves and their estates, specifically reserve the right to seek all available remedies against the defaulting Winning Bidder, including, but not limited to, specific performance.

H. Notice and Consultation Parties.

Information must be provided to the following under these Bidding Procedures (the "Notice Parties"): (a) counsel to JPMorgan Chase Bank, N.A., in its capacity as agent under the Debtors' prepetition ABL credit agreement (the "Prepetition ABL Agent"), (b) counsel to GACP Finance Co., LLC, in its capacity as agent under the Debtors' prepetition equipment term loan (the "Prepetition Equipment Term Loan Agent"), (c) counsel to CLMG Corp., in its capacity as agent under the Debtors' prepetition real estate term loan (the "Prepetition Real Estate Term Loan Agent" and together with the Prepetition ABL Agent and Prepetition Term Loan Agent, the "Agents"), (d) counsel to the Committee, and (e) the United States Trustee for the Southern District of Texas.

The term "Consultation Parties" as used in these Bidding Procedures shall mean: (a) counsel to Prepetition ABL Agent, (b) counsel to Prepetition Equipment Term Loan Agent, and (c) counsel to any Committee, if any. To the extent that any party that would otherwise be a Consultation Party has not fully and irrevocably waived its right to submit a Bid, it shall not be a Consultation Party.

I. "As Is, Where Is."

Consummation of any Transaction will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtors or their estates,

except as specifically accepted or agreed to by the Debtors. Except as specifically accepted or agreed to by the Debtors, all of the Debtors' right, title, and interest in and to the Assets will be transferred to the Winning Bidder pursuant to section 363(b) of the Bankruptcy Code.

By submitting a Bid, each Potential Bidder will be deemed to acknowledge and represent that it (i) has had an opportunity to conduct adequate due diligence regarding the Transaction prior to making its Bid, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Transaction or the completeness of any information provided in connection therewith or the Auction, except the representations and warranties as expressly stated in the Potential Bidder's Transaction Documents; and (iv) the Potential Bidder did not engage in any collusive conduct and acted in good faith in submitting its Bid.

J. Reservation of Rights.

The Debtors reserve their rights to modify these Bidding Procedures in their business judgment, in consultation with the Consultation Parties, in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on the Transaction, including: (a) extending the bid deadline set forth in these Bidding Procedures; (b) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) canceling the Auction; and (e) rejecting any or all Bids or Qualified Bids. Nothing in these Bidding Procedures shall abrogate the fiduciary duties of the Debtors. Notwithstanding anything to the contrary herein, the Debtors, in consultation with the Consultation Parties, may elect to consummate the Transaction through a chapter 11 plan as opposed to under section 363(b) of the Bankruptcy Code.

K. Consent to Jurisdiction.

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of these Bidding Procedures.

L. Approval of Winning Bid Hearing.

A hearing to consider the Transaction under section 363 of the Bankruptcy Code (the "Sale Hearing") pursuant to which the Debtors and the Winning Bidder intend to consummate the Transaction contemplated by the Winning Bid will be held **no later than August 14, 2020** and otherwise in accordance with any scheduling order entered by the Court.

The Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Hearing. No further notice of any such continuance will be required to be provided to any party.

M. Return of Deposit.

The Deposit of the Winning Bidder shall be applied to the Purchase Price of such Transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more separate accounts on terms acceptable to the Debtors and shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) on the date that is three business days after the Auction.

If a Winning Bidder fails to consummate a proposed Transaction because of a breach by such Winning Bidder, the Debtors will not have any obligation to return the Deposit deposited by such Winning Bidder, which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors and their estates, and the Debtors shall be free to consummate the proposed Transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

N. No Modification of Bidding Procedures.

These Bidding Procedures may not be modified except in accordance with Section J of these Bidding Procedures.

EXHIBIT 2

Bidding Procedures

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	(Emergency Hearing Requested)

BIDDING PROCEDURES FOR THE SALE OF THE DEBTORS' FRACKING EQUIPMENT AND INTELLECTUAL PROPERTY

On July 20, 2020, BJ Services, LLC and certain of its subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Court"). On July 24, the Debtors filed the *Debtors' Emergency Motion for Entry of an Order (I) Approving the Bidding Procedures with Respect to Certain of the Debtors' Fracking Equipment and Intellectual Property, (II) Scheduling an Auction And A Sale Hearing, (III) Approving The Form And Manner Of Notices Related Thereto, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Motion"), seeking approval of, among other things, the procedures to determine the highest or otherwise best offer for the sale (the "Sale" or "Transaction") of the Debtors' right, title, and interest in certain vendor contracts and intellectual property related to the Debtors' next-generation fracturing pump platform referred to as TITAN™ (the "Titan Assets"), certain of the Debtors' other intellectual property assets (including the "BJ Services" name) (the "Intellectual Property"), and certain machinery and equipment (the "M&E Assets," and together with the Intellectual Property and Titan Assets, the "Assets").[2]

On July 24, 2020, BJ Services, LLC ("BJS") and BJ Services Holdings Canada, ULC (together with BJS, each a "Seller" and collectively the "Sellers") entered into that certain asset purchase agreement (the "Stalking Horse Agreement") with TES Asset Acquisition, LLC

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] The Transaction may be structured as an asset sale, equity sale, plan of reorganization, or otherwise, as determined by the Debtors in consultation with the Winning Bidder (as defined below).

(the "Stalking Horse Bidder"), pursuant to which, among other things, the Stalking Horse Bidder proposed to purchase, acquire, and/or take assignment and delivery of the Purchased Assets.[3]

On [●], 2020, the Bankruptcy Court entered an *Order (I) Approving the Bidding Procedures with Respect to Certain of the Debtors' Fracking Equipment and Intellectual Property, (II) Scheduling an Auction And A Sale Hearing, (III) Approving The Form And Manner Of Notices Related Thereto, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Order," and the procedures contemplated herein, the "Bidding Procedures"). Pursuant to the Bidding Procedures, the Debtors are authorized to select the Stalking Horse Bidder (as defined below) and after announcing the Stalking Horse Bidder, if any, solicit further Bids (as defined below) culminating in an auction intended to obtain a higher or otherwise better Bid for the Transaction (the "Auction").

Key Dates

The key dates for the Sale are as follows. Such dates may be extended or otherwise modified by the Debtors.

Date	Event
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders Deadline	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
File Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Objection Deadline	August 13, 2020, at 4:00 p.m. (prevailing Central Time)
Sale Hearing	No later than August 14, 2020

Sale Process

I. Participation Requirements.

To receive due diligence information, including full access to the Debtors' electronic data room and to additional non-public information regarding the Debtors, a party interested in

[3] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Stalking Horse Agreement.

consummating the Transaction (each, a "Potential Bidder") must deliver to Simmons, the following documents (the "Preliminary Bid Documents"):

(a) an executed Confidentiality Agreement on terms reasonably acceptable to the Debtors, to the extent not already executed; and

(b) if requested, proof or other documentation acceptable to the Debtors, after consultation with the Consultation Parties (as defined below), of the Potential Bidder's financial capacity to close a proposed Transaction and provide adequate assurance of future performance under any executory contracts and unexpired leases to be assumed by the Debtors and assigned to such Potential Bidder pursuant to section 365 of the Bankruptcy Code, in connection with the Transaction.

The Debtors and their advisors will coordinate all reasonable requests from Potential Bidders for additional information and due diligence access; *provided* that the Debtors may decline to provide such information to Potential Bidders who, at such time and in the Debtors' business judgment, after consultation with the Consultation Parties, have not established, or who have raised doubt, that such Potential Bidder intends in good faith to, or has the capacity to, consummate the Transaction.

Each Potential Bidder shall comply with all reasonable requests for additional information and due diligence access by the Debtors, the official committee of unsecured creditors (the "Committee"), if any, or their respective advisors regarding such Potential Bidder and its contemplated Transaction.

Stalking Horse Bid

On July 24, 2020, the Debtors entered into the Stalking Horse Agreement with the Stalking Horse Bidder, pursuant to which, among other things: the Stalking Horse Bidder proposed to (a) purchase, acquire, and take assignment and delivery of, free and clear of all liens, claims encumbrances and other interests (except as provided in the Stalking Horse Agreement), the Assets, and certain executory contracts and unexpired leases and designation rights related thereto, and (b) assume the assumed liabilities (as defined in the Stalking Horse Agreement) (collectively the "Stalking Horse Agreement") on the terms set forth in the Stalking Horse Purchase Agreement, subject to higher or better bids.

Process for Additional Qualified Bids and Auction

The Debtors will solicit further Bids intended to obtain a higher or otherwise best Bid for the Transaction.

A. Bid Deadline.

A Potential Bidder that desires to make a proposal, solicitation, or offer (each, a "Bid") shall transmit such proposal, solicitation, or offer via email (in .pdf or similar format) so as to be

actually received on or before **August 10, 2020, at 11:59 p.m. (prevailing Central Time)** (the "Bid Deadline") to:

(i) Simmons, 609 Main Street, Suite 3800, Houston, Texas 77002, Attn: Sanjiv Shah (sanjiv.shah@simmonspsc.com); Tim McEuen (Tim.McEuen@simmonspsc.com); Steve Erzinger (Steve.Erzinger@simmonspsc.com), and Kirby Stockard (Kirby.Stockard@simmonspsc.com);

(ii) Kirkland & Ellis LLP, 601 Lexington Ave New York, New York 10022, Attn: Joshua A. Sussberg (joshua.sussberg@kirkland.com) and Christopher T. Greco (cgreco@kirkland.com), and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha Lawrence (samantha.lawrence@kirkland.com) and Josh M. Altman (josh.altman@kirkland.com); and

(iii) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn: Jason S. Brookner (jbrookner@grayreed.com), Paul D. Moak (pmoak@grayreed.com), and Amber M. Carson (acarson@grayreed.com).

B. Bid Requirements.

Each Bid by a Potential Bidder must be submitted in writing and satisfy the following requirements (collectively, the "Bid Requirements"):

(i) **Purpose**. Each Potential Bidder must state that the Bid is an offer to purchase certain of the Assets and state which assets with specificity.

(ii) **Purchase Price**. Each Bid must clearly set forth the terms of any proposed Transaction, including and identifying separately any cash and non-cash components of the proposed Transaction consideration (the "Purchase Price") and allocating the Purchase Price among the assets.

(iii) **Deposit**. Each Bid must be accompanied by a cash deposit in the amount equal to 10% of the aggregate value of the proposed Purchase Price of the Bid to be held in a separate account for the benefit of the Debtors (the "Deposit").

(iv) **Marked Agreement**. Each Bid must include a signed asset purchase agreement, together with all exhibits and schedules thereto, the form of which will be provided to any Potential Bidder before the Bid Deadline, along with a redline version of such agreement relative to the Stalking Horse Agreement, attached hereto as **Exhibit B**, pursuant to which the Qualified Bidder proposes to effectuate the Transaction (collectively, the "Transaction Documents").

(v) **Committed Financing**. To the extent that a Bid is not accompanied by evidence of the Potential Bidder's capacity to consummate the Transaction set forth in its Bid with cash on hand, each Bid must include committed financing documented to the Debtors' satisfaction after consultation with the Consultation Parties that

demonstrates that the Potential Bidder has received sufficient debt and/or equity funding commitments to satisfy the Potential Bidder's Purchase Price and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals.

(vi) **Contingencies; No Financing or Diligence Outs**. A Potential Bidder's Bid cannot contain any financing, diligence or other contingencies of any nature not included in the Stalking Horse Agreement.

(vii) **Binding and Irrevocable**. An Acceptable Bidder's Bid must be irrevocable unless and until the Debtors accept a higher Bid and such Acceptable Bidder is not selected as the Backup Bidder (as defined below).

(viii) **Identity**. Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Potential Bidder if such Potential Bidder is an entity formed for the purpose of consummating the proposed Transaction contemplated by such Bid), and the complete terms of any such participation. Each Bid should also include contact information for the specific person(s), counsel, and other advisor whom Simmons and Kirkland & Ellis LLP should contact regarding such Bid.

(ix) **Adequate Assurance Information**. Each Bid must be accompanied by sufficient and adequate financial and other information to demonstrate, to the satisfaction of the Debtors, that such Potential Bidder (a) has the financial wherewithal and ability to consummate the Transaction designated in the applicable purchase agreement, and (b) can provide adequate assurance of future performance in connection the Transaction.

(x) **Authorization**. Each Bid must contain evidence acceptable to the Debtors that the Potential Bidder has obtained authorization or approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid, execution, and delivery of the Transaction Documents, and the consummation of the Transaction contemplated in such Bid.

(xi) **No Fees**. Each Potential Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed Transaction, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.

(xii) **Time Frame for Closing**. A Bid by a Potential Bidder must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors.

(xiii) **Adherence to Bidding Procedures**. By submitting its Bid, each Potential Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.

C. Minimum Value.

The Bid must provide for a (i) a cash Purchase Price equal to: (a) the Purchase Price set forth in the Stalking Horse Bid, plus (b) $500,000 (the "Minimum Value").

D. Designation of Qualified Bidders.

A Bid will be considered a "Qualified Bid," and each Potential Bidder that submits a Qualified Bid will be considered a "Qualified Bidder," if the Debtors, after consultation with the Consultation Parties, determine that such Bid:

(i) satisfies the Bid Requirements set forth above;

(ii) provides a Purchase Price that exceeds the Minimum Value; and

(iii) is reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors and the Committee.

The Debtors will notify each Qualified Bidder and the Stalking Horse Bidder whether such party is a Qualified Bidder and shall provide the Notice Parties a copy of each Qualified Bid by the Notice of Qualified Bidders Deadline. At such time, the Debtors shall also distribute copies of the Qualified Bids to the Stalking Horse Bidder and each Qualified Bidder.

If any Bid is determined by the Debtors not to be a Qualified Bid, the Potential Bidder shall be notified by the Debtors, and shall have until **the start of the Auction** to modify its Bid to increase the Purchase Price or otherwise improve the terms of the Bid for the Debtors; *provided* that any Qualified Bid may be improved at the Auction as set forth herein.

Between the date the Debtors notify a Potential Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their Purchase Price, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; and *in addition*, any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

Notwithstanding anything herein to the contrary, the Debtors reserve the right to work with (a) Potential Bidders and Potential Bidders to aggregate two or more Bids into a single

consolidated Bid or (b) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction. The Debtors reserve the right to cooperate with any Potential Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtors may accept a single Qualified Bid or multiple Bids that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple bidders shall be treated as a single Qualified Bidder for purposes of the Auction).

The Stalking Horse Bidder shall be deemed to be a Qualified Bidder, the Stalking Horse Bid shall be deemed a Qualified Bid, and the Stalking Horse Bidder may participate in the Auction with respect to the Assets.

E. No Qualified Bids.

If the Debtors have received no Qualified Bids other than a Stalking Horse Bid as of the Bid Deadline, then the Auction will not occur and the Stalking Horse Bidder will be deemed the Winning Bid (as defined below). The Debtors reserve all rights to extend the Bid Deadline to such later date that the Debtors believe is necessary, in their sole discretion, to obtain additional Qualified Bids.

F. The Auction.

If the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Bid, the Debtors will conduct the Auction to determine the Winning Bidder with respect to the Transaction.

Prior to the Auction, the Debtors and their advisors will notify all Qualified Bidders and the Stalking Horse Bidder of the highest or otherwise best Qualified Bid, as determined in the Debtors' business judgment (the "Baseline Bid"), and provide copies of the documents supporting the Baseline Bid to all Qualified Bidders, the Stalking Horse Bidder, the Committee, if any, and the Notice Parties. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Winning Bid shall take into account any factors the Debtors, after consultation with the Consultation Parties, reasonably deem relevant to the value of the Qualified Bid to the Debtors' estates, including, among other things: (a) the number, type, and nature of any changes to the Stalking Horse Agreement requested by the Qualified Bidder; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close the Transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtors' estates from the Transaction contemplated by the Baseline Bid; (e) the tax consequences of such Qualified Bid; and (f) impact to vendors, landlords, and employees (collectively, the "Bid Assessment Criteria").

The Auction shall take place at **a time to be determined no later than August 12, 2020**, by remote video as will be indicated in the Auction Notice, or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties. The Auction shall be conducted in a timely fashion according to the following procedures:

(i) The Debtors and their professionals shall direct and preside over the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid. All incremental Bids made thereafter shall be Overbids (as defined below) and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction.

(ii) Only Qualified Bidders (including the Stalking Horse Bidder), the Debtors, the Consultation Parties, and each of their respective legal and financial advisors, and any other parties specifically invited or permitted to attend by the Debtors, shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Except as otherwise permitted by the Debtors, only Qualified Bidders shall be entitled to bid at the Auction.

(iii) **Terms of Overbids**. "Overbid" means any Bid made at the Auction by a Qualified Bidder subsequent to the Debtors' announcement of the Baseline Bid, including any by the Stalking Horse Bidder. Each Overbid must comply with the following conditions:

(a) Minimum Overbid Increment. Any Overbid following the Baseline Bid or following any subsequent Prevailing Highest Bid (as defined below) shall be in increments of $500,000, unless otherwise determined by the Debtors in an exercise of their business judgment (the "Overbid Increment").

(b) Conclusion of Each Overbid Round. Upon the solicitation of each round of Overbids, the Debtors may announce a deadline (as the Debtors may, in their business judgment, extend from time to time, the "Overbid Round Deadline") by which time any Overbids must be submitted to the Debtors.

(c) Overbid Alterations. An Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtors' estates than any prior Qualified Bid or Overbid, as determined in the Debtors' business judgment after consultation with the Consultation Parties, but shall otherwise comply with the terms of these Bidding Procedures.

(d) Announcing Highest Bid. Subsequent to each Overbid Round Deadline, the Debtors shall announce whether the Debtors have identified an Overbid as being higher or otherwise better than the Baseline Bid, in the initial Overbid Round, or, in subsequent rounds, the Overbid previously designated by the Debtors as the prevailing highest or otherwise best Bid (the "Prevailing Highest Bid"). The Debtors shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtors as the Prevailing Highest Bid, as well as the value attributable by the Debtors to

such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria. For the avoidance of doubt, the Prevailing Highest Bid may be multiple Qualified Bids if, in the Debtors business judgment, such bids, taken together, are the highest or otherwise best Bid.

(iv) **Consideration of Overbids**. The Debtors reserve the right, in their business judgment, after consultation with the Consultation Parties, to adjourn the Auction one or more times, to, among other things (i) facilitate discussions between the Debtors and Potential Bidders, (ii) allow Qualified Bidders to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their business judgment, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed Transaction at the prevailing Overbid amount.

(v) **Closing the Auction**. The Auction shall continue until there is only one Qualified Bid that the Debtors determine, in their business judgment, after consultation with the Consultation Parties, to be the highest or otherwise best Qualified Bid. Such Qualified Bid shall be declared the winning bid (the "Winning Bid") and such Qualified Bidder, the winning bidder (the "Winning Bidder"), at which point the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid. Such acceptance by the Debtors of the Winning Bid is conditioned upon approval by the Court of the Winning Bid. For the avoidance of doubt, nothing in these Bidding Procedures shall prevent the Debtors from exercising their respective fiduciary duties under applicable law. As soon as reasonably practicable after closing the Auction, the Debtors shall finalize definitive documentation to implement the terms of the Winning Bid, and, as applicable, cause such definitive documentation to be filed with the Court.

(vi) **No Collusion; Good-Faith *Bona Fide* Offer**. Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (i) it has not engaged in any collusion with respect to the bidding and (ii) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Transaction if selected as the Winning Bidder.

G. Backup Bidder.

(i) Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid at the Auction, as determined by the Debtors in the exercise of their business judgment, after consultation with the Consultation Parties, shall be required to serve as a backup bidder (the "Backup Bidder") until such time that the Transaction is consummated upon entry of an order approving the Sale under section 363 of the Bankruptcy Code, and each Qualified Bidder shall

agree and be deemed to agree to be the Backup Bidder if so designated by the Debtors.

(ii) The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtors, at the conclusion of the Auction at the same time the Debtors announce the identity of the Winning Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until such time that the Transaction is consummated upon entry of an order approving the Transaction under section 363 of the Bankruptcy Code. The Backup Bidder's Deposit shall be held in a separate account pending approval of the Transaction by court order.

(iii) If the Winning Bidder fails to consummate the approved Transaction contemplated by its Winning Bid, the Debtors may select the Backup Bidder as the Winning Bidder, and such Backup Bidder shall be deemed a Winning Bidder for all purposes. The Debtors will be authorized, but not required, to consummate the Transaction contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Winning Bidder's Deposit shall be forfeited to the Debtors' estates, and the Debtors, on behalf of themselves and their estates, specifically reserve the right to seek all available remedies against the defaulting Winning Bidder, including, but not limited to, specific performance.

H. Notice and Consultation Parties.

Information must be provided to the following under these Bidding Procedures (the "Notice Parties"): (a) counsel to JPMorgan Chase Bank, N.A., in its capacity as agent under the Debtors' prepetition ABL credit agreement (the "Prepetition ABL Agent"), (b) counsel to GACP Finance Co., LLC, in its capacity as agent under the Debtors' prepetition equipment term loan (the "Prepetition Equipment Term Loan Agent"), (c) counsel to CLMG Corp., in its capacity as agent under the Debtors' prepetition real estate term loan (the "Prepetition Real Estate Term Loan Agent" and together with the Prepetition ABL Agent and Prepetition Term Loan Agent, the "Agents"), (d) counsel to the Committee, and (e) the United States Trustee for the Southern District of Texas.

The term "Consultation Parties" as used in these Bidding Procedures shall mean: (a) counsel to Prepetition ABL Agent, (b) counsel to Prepetition Equipment Term Loan Agent, and (c) counsel to any Committee, if any. To the extent that any party that would otherwise be a Consultation Party has not fully and irrevocably waived its right to submit a Bid, it shall not be a Consultation Party.

I. "As Is, Where Is."

Consummation of any Transaction will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtors or their estates,

except as specifically accepted or agreed to by the Debtors. Except as specifically accepted or agreed to by the Debtors, all of the Debtors' right, title, and interest in and to the Assets will be transferred to the Winning Bidder pursuant to section 363(b) of the Bankruptcy Code.

By submitting a Bid, each Potential Bidder will be deemed to acknowledge and represent that it (i) has had an opportunity to conduct adequate due diligence regarding the Transaction prior to making its Bid, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Transaction or the completeness of any information provided in connection therewith or the Auction, except the representations and warranties as expressly stated in the Potential Bidder's Transaction Documents; and (iv) the Potential Bidder did not engage in any collusive conduct and acted in good faith in submitting its Bid.

J. Reservation of Rights.

The Debtors reserve their rights to modify these Bidding Procedures in their business judgment, in consultation with the Consultation Parties, in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on the Transaction, including: (a) extending the bid deadline set forth in these Bidding Procedures; (b) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) canceling the Auction; and (e) rejecting any or all Bids or Qualified Bids. Nothing in these Bidding Procedures shall abrogate the fiduciary duties of the Debtors. Notwithstanding anything to the contrary herein, the Debtors, in consultation with the Consultation Parties, may elect to consummate the Transaction through a chapter 11 plan as opposed to under section 363(b) of the Bankruptcy Code.

K. Consent to Jurisdiction.

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of these Bidding Procedures.

L. Approval of Winning Bid Hearing.

A hearing to consider the Transaction under section 363 of the Bankruptcy Code (the "Sale Hearing") pursuant to which the Debtors and the Winning Bidder intend to consummate the Transaction contemplated by the Winning Bid will be held **no later than August 14, 2020** and otherwise in accordance with any scheduling order entered by the Court.

The Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Hearing. No further notice of any such continuance will be required to be provided to any party.

M. Return of Deposit.

The Deposit of the Winning Bidder shall be applied to the Purchase Price of such Transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more separate accounts on terms acceptable to the Debtors and shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) on the date that is three business days after the Auction.

If a Winning Bidder fails to consummate a proposed Transaction because of a breach by such Winning Bidder, the Debtors will not have any obligation to return the Deposit deposited by such Winning Bidder, which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors and their estates, and the Debtors shall be free to consummate the proposed Transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

N. No Modification of Bidding Procedures.

These Bidding Procedures may not be modified except in accordance with Section J of these Bidding Procedures.

EXHIBIT 3

Auction Notice

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF SALE BY AUCTION AND SALE HEARING

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the "Debtors")[2] each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Texas (the "Court") on July 20, 2020

PLEASE TAKE NOTICE that on July 24, 2020, the above-captioned debtors and debtors in possession (the "Debtors") filed the *Debtors' Emergency Motion for Entry of an Order (I) Approving the Bidding Procedures With Respect to Certain of the Debtors' Fracking Equipment and Intellectual Property, (II) Scheduling an Auction and a Sale Hearing, (III) Approving the Form and Manner of Notices Related Thereto, (V) Approving Contract Assumption and Assignment Procedures, and (VI) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Motion") with the United States Bankruptcy Court for the Southern District of Texas (the "Court") seeking, among other things, entry of an order (the "Bidding Procedures Order"): (a) authorizing the Debtors to enter into that certain asset purchase agreement (the "Stalking Horse Agreement") between BJ Services, LLC and BJ Services Holdings Canada, ULC and TES Asset Acquistions, LLC (the "Stalking Horse Bidder"); (b) authorizing and approving the bidding procedures for the sale (the "Sale" or "Transaction") of the Debtors' right, title, and interest in and to certain vendor contracts and intellectual property related to the Debtors' next-generation fracturing pump platform referred to as TITAN™ (the "Titan Assets"), certain of the Debtors' other intellectual property assets (including the "BJ Services" name) (the "Intellectual Property"), and certain machinery and equipment (the "M&E Assets," and together with the Intellectual Property and Titan Assets, the "Assets"); (c) establishing certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any; (d) approving the form and manner of notice of the Auction, if any, and the Sale Hearing; (e) approving the procedures for the assumption and assignment (the "Assumption and Assignment Procedures") of certain executory contracts and unexpired leases (the "Contracts") and related cure amounts; and (f) granting related relief. Please note that all capitalized terms used but not defined herein shall have the meanings set forth in the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not yet defined herein have the meanings ascribed to such terms in Bidding Procedures Motion.

Bidding Procedures Motion.

PLEASE TAKE FURTHER NOTICE that the Debtors are soliciting offers for the purchase of the Assets of the Debtors consistent with the Bidding Procedures approved by the Court by entry of an order on July [●], 2020 [Docket No. [●]] (the "Bidding Procedures Order"). **All interested bidders should carefully read the Bidding Procedures and Bidding Procedures Order.** To the extent that there are any inconsistencies between this notice and the Bidding Procedures or Bidding Procedures Order, the Bidding Procedures or Bidding Procedures Order, as applicable, shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that the Debtors will seek approval of the Sale at a hearing scheduled to commence **no later than August 14, 2020** (the "Sale Hearing") before the Honorable Marvin Isgur, United States Bankruptcy Judge for the Bankruptcy Court for the Southern District of Texas, at 515 Rusk Avenue, 4th Floor, Courtroom No. 404, Houston, Texas 77002.

PLEASE TAKE FURTHER NOTICE that, except as otherwise set forth in the Bidding Procedures Order with respect to any objections to proposed cure amounts or the assumption and assignment of Contracts and/or objections to the relief requested in the Bidding Procedures Motion ***must***: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be ***actually received* on or before the Sale Hearing** by the following parties (the "Notice Parties"):

Counsel to the Debtors	**Co-Counsel to the Debtors**
Kirkland & Ellis LLP 601 Lexington Avenue New York, New York 10022 Attn: Joshua Sussberg and Christopher T. Greco Email: joshua.sussberg@kirkland.com cgreco@kirkland.com - and - Kirkland & Ellis LLP 300 North LaSalle Chicago Illinois 60654 Attn: Samantha G. Lawrence and Josh Altman Email: samantha.lawrence@kirkland.com josh.altman@kirkland.com	Gray Reed & McGraw LLP 1300 Post Oak Boulevard, Suite 2000 Houston, Texas 77056 Attn: Jason S. Brookner, Paul D. Moak, and Amber M. Carson Email: jbrookner@grayreed.com pmoak@grayreed.com acarson@grayreed.com
Proposed Counsel to the Committee	**The United States Trustee**
	Office of the United States Trustee Southern District of Texas 15 Rusk Street, Suite 3516 Houston, Texas 77002 Attn: Hector Dura and Stephen Statham Email: hector.duran.jr.@usdoj.gov stephen.statham@usdoj.gov

Counsel to the Prepetition ABL Agent	Counsel to the Prepetition Equipment Term Loan Agent
Sidley Austin LLP One South Dearborn Chicago, Illinois 60603 Attn: Dennis Twomey, Herschel Hamner, and Alyssa Russell Email: dtwomey@sidley.com hhamner@sidley.com alyssa.russell@sidley.com	Choate, Hall & Stewart LLP 2 International Place Boston, Massachusetts 02110 Attn: John Ventola Email: jventola@choate.com - and - DLA Piper LLP 1201 North Market Street, Suite 2100 Wilmington, Delaware 19801 Attn: Stuart Brown Email: stuart.brown@dlapiper.com
Counsel to the Real Estate Term Loan Lenders	
Sheppard, Mullin, Richter & Hampton LLP 70 West Madison Street, 48th Floor Chicago, Illinois 60602 Attn: Justin Bernbrock Email: jbernbrock@sheppardmullin.com	

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS SET FORTH IN THE APPLICABLE PURCHASE AGREEMENT.

Important Dates and Deadlines

Date	Event
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders Deadline	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
File Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Objection Deadline	August 13, 2020, at 4:00 p.m. (prevailing

Sale Hearing	No later than August 14, 2020

NO SUCCESSOR OR TRANSFEREE LIABILITY

The Stalking Horse APA and proposed Sale Order provide that the Stalking Horse Bidder and/or Successful Bidder, if applicable, will have no responsibility for, and the Assets will be sold free and clear of, any successor liability, including the following: (a) any liability or other obligation of the Debtors' estates or related to the Assets other than as expressly set forth in the applicable Purchase Agreement; or (b) any claims against the Debtors, their estates, or any of their predecessors or affiliates. Except as expressly provided in the Sale Order or the applicable Purchase Agreement, the Stalking Horse Bidder or Successful Bidder shall have no liability whatsoever with respect to the Debtors' estates' (or their predecessors' or affiliates') respective businesses or operations or any of the Debtors' estates' (or their predecessors' or affiliates') obligations (as described below, "Successor or Transferee Liability") based, in whole or part, directly or indirectly, on any theory of successor or vicarious liabilities of any kind or character, including, but not limited to, any theory of antitrust, environmental, successor or transferee liability, labor law, *de facto* merger, or substantial continuity, whether known or unknown as of the Closing Date (as defined in the applicable Purchase Agreement), now existing or hereafter arising, whether asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtors or any obligations of the Debtors arising prior to the closing of the Sale, including, but not limited to, liabilities on account of any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of any of the Assets prior to the closing of the Sale.

PLEASE TAKE FURTHER NOTICE that copies of the Bidding Procedures Motion, Bidding Procedures, and Bidding Procedures Order, as well as all related exhibits, including the Stalking Horse Purchase Agreement, are available: (a) free of charge upon request to Donlin, Recano & Company Inc. (the notice and claims agent in these chapter 11 cases), by visiting the website maintained in these chapter 11 cases at www.donlinrecano.com/bjs, or (c) for a fee via PACER by visiting https://www.txs.uscourts.gov/.

PLEASE TAKE FURTHER NOTICE that you may obtain additional information concerning the above-captioned chapter 11 cases at the website maintained in these chapter 11 cases at www.donlinrecano.com/bjs.

Houston, Texas
July 24, 2020

/s/ Paul D. Moak

GRAY REED & McGRAW LLP
Jason S. Brookner (TX Bar No. 24033684)
Paul D. Moak (TX Bar No. 00794316)
Amber M. Carson (TX Bar No. 24075610)
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Proposed Co-Counsel to the Debtors

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KIRKLAND & ELLIS INTERNATIONAL LLP
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cgreco@kirkland.com

-and-

Samantha G. Lawrence (admitted *pro hac vice*)
Joshua M. Altman (admitted *pro hac vice*
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samantha.lawrence@kirkland.com

Proposed Co-Counsel to the Debtors
and Debtors in Possession

EXHIBIT 4

Assumption and Assignment Notice

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[20]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the "Debtors")[21] each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Texas (the "Court") on July 20, 2020.

PLEASE TAKE FURTHER NOTICE that on [●], 2020, the Court entered an order [Docket No. [●]] (the "Bidding Procedures Order") approving, among other things, (a) authorizing and approving the bidding procedures (the "Bidding Procedures") for the sale of the Debtors' right, title, and interest in and to certain vendor contracts and intellectual property related to the Debtors' next-generation fracturing pump platform referred to as TITAN™ (the "Titan Assets"), certain of the Debtors' other intellectual property assets (including the "BJ Services" name) (the "Intellectual Property"), and certain machinery and equipment (the "M&E Assets," and together with the Intellectual Property and Titan Assets, the "Assets"); (b) establishing certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any, (c) approving the form and manner of notice of the Auction, if any, and the Winning Bidder, (d) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases and the resolution of related cure amounts (the "Assumption and Assignment Procedures"), and (e) granting related relief.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Assumption and Assignment Procedures and by this written notice, the Debtors hereby notify you that they have determined, in the exercise of their business judgment, that the Contracts and any modifications thereto set forth on **Exhibit I** attached hereto (collectively, the "Assumed Contracts") shall be assumed and

[20] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[21] Capitalized terms used but not yet defined herein have the meanings ascribed to such terms later in Bidding Procedures or in the First Day Declaration, as applicable.

assigned to the Assignee, subject to the Assignee's payment of the cure amounts set forth on **Exhibit I**, or such other cure amounts that are agreed to by the parties.

PLEASE TAKE FURTHER NOTICE that nothing herein (i) alters in any way the prepetition nature of the Assumed Contracts or the validity, priority, or amount of any claims of a counterparty to any Assumed Contract against the Debtors that may arise under such Assumed Contract, (ii) creates a postpetition contract or agreement, or (iii) elevates to administrative expense priority any claims of a counterparty to any Assumed Contract against the Debtors that may arise under such Assumed Contract.

PLEASE TAKE FURTHER NOTICE that the inclusion of an Assumed Contract on the Notice of Assumption and Assignment will not: (a) obligate the Debtors to assume any Assumed Contract listed thereon or the Winning Bidder to take assignment of such Assumed Contract; or (b) constitute any admission or agreement of the Debtors that such Assumed Contract is an executory contract. Only those Assumed Contracts that are included on a schedule of assumed and acquired contracts attached to a final asset purchase agreement with a Winning Bidder (including amendments or modifications to such schedules in accordance with such asset purchase agreement) will be assumed and assigned to the applicable Winning Bidder. No Assumed Contract shall be assumed absent closing on the assignment thereof to the applicable Winning Bidder.

PLEASE TAKE FURTHER NOTICE that any Contract assumed pursuant to section 363(f) of the Bankruptcy Code shall: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights) and (ii) any and all claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guarantees of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, claims, and encumbrances that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s) (but only in connection with the assignment by the Debtor to the Assignee)), and (b) constitutes a legal, valid, and effective transfer of such Contract(s) and vests the applicable Assignee with all rights, titles, and interests to the applicable Contract(s). For the avoidance of doubt, all provisions of the applicable Assumed Contract, including any provision limiting future assignment, shall be binding on the applicable Assignee after consummation of the assignment of such Contract by the Debtors to the Assignee.

Obtaining Additional Information

Copies of the Bidding Procedures Order, the Bidding Procedures, the Plan, and all pleadings filed in these chapter 11 cases are available upon request to Donlin, Recano & Company, Inc., the Debtors' notice and claims agent, by calling (877) 274-7653 (Domestic) or (212) 771-1128 (International), or by visiting the case website at http://www.donlinrecano.com/bjs.

Important Dates and Deadlines

1. Parties objecting to a proposed assumption and assignment and/or to a Winning Bidder's proposed form of adequate assurance of future performance must file a written objection (each, an "Assumption Objection") so that such Assumption Objection is filed with the Court and **actually received two (two) days prior to the Sale Hearing and served on the Notice Parties.**

2. A hearing to consider approval of the proposed Sale will be held no later than **August 14, 2020,** or such other date as determined by the Court.

Filing Assumption and Assignment Objections

Pursuant to the Assumption and Assignment Procedures, if no objection to the assumption of any Contract is timely filed, each Contract shall be assumed as of the Assumption Date set forth in the applicable Assumption and Assignment Procedures or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree, and the proposed cure amount shall be binding on all counterparties to such Contract and no amount in excess thereof shall be paid for cure purposes; provided, however, that the Assumption Date for a lease of nonresidential real property shall not occur earlier than the date the Debtors filed and served the applicable Assumption and Assignment Notice.

Any objections will be considered at the Sale Hearing, or as soon thereafter as counsel may be heard, and must be served on the following parties:

Counsel to the Debtors	**Co-Counsel to the Debtors**
Kirkland & Ellis LLP 601 Lexington Avenue New York, New York 10022 Attn: Joshua Sussberg and Christopher T. Greco Email: joshua.sussberg@kirkland.com cgreco@kirkland.com - and - Kirkland & Ellis LLP 300 North LaSalle Chicago Illinois 60654 Attn: Samantha G. Lawrence and Josh Altman Email: samantha.lawrence@kirkland.com josh.altman@kirkland.com	Gray Reed & McGraw LLP 1300 Post Oak Boulevard, Suite 2000 Houston, Texas 77056 Attn: Jason S. Brookner, Paul D. Moak, and Amber M. Carson Email: jbrookner@grayreed.com pmoak@grayreed.com acarson@grayreed.com
Proposed Counsel to the Committee	**The United States Trustee**

	Office of the United States Trustee Southern District of Texas 15 Rusk Street, Suite 3516 Houston, Texas 77002 Attn: Hector Dura and Stephen Statham Email: hector.duran.jr.@usdoj.gov stephen.statham@usdoj.gov
Counsel to the Prepetition ABL Agent	**Counsel to the Prepetition Equipment Term Loan Agent**
Sidley Austin LLP One South Dearborn Chicago, Illinois 60603 Attn: Dennis Twomey, Herschel Hamner, and Alyssa Russell Email: dtwomey@sidley.com hhamner@sidley.com alyssa.russell@sidley.com	Choate, Hall & Stewart LLP 2 International Place Boston, Massachusetts 02110 Attn: John Ventola Email: jventola@choate.com - and - DLA Piper LLP 1201 North Market Street, Suite 2100 Wilmington, Delaware 19801 Attn: Stuart Brown Email: stuart.brown@dlapiper.com
Counsel to the Real Estate Term Loan Lenders	
Sheppard, Mullin, Richter & Hampton LLP 70 West Madison Street, 48th Floor Chicago, Illinois 60602 Attn: Justin Bernbrock Email: jbernbrock@sheppardmullin.com	

Consequences of Failing to Timely File and Serve an Objection

Any counterparty to an Assumed Contract who fails to timely file and serve an objection to the proposed assumption and assignment of an Assumed Contract in accordance with the Bidding Procedures Order and Assumption and Assignment Procedures incorporated therein shall be forever barred from asserting any objection to the assumption and assignment of the Assumed Contract and/or the cure payment set forth on Exhibit I, including asserting additional cure amounts with respect to an Assumed Contract relating to any period prior to the time of assumption and assignment.

[*Remainder of page left intentionally blank*]

Houston, Texas
July [●], 2020

/s/

GRAY REED & McGRAW LLP
Jason S. Brookner (TX Bar No. 24033684)
Paul D. Moak (TX Bar No. 00794316)
Amber M. Carson (TX Bar No. 24075610)
1300 Post Oak Boulevard, Suite 2000
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Proposed Co-Counsel to the Debtors and Debtors in Possession

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KIRKLAND & ELLIS INTERNATIONAL LLP
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cgreco@kirkland.com

-and-

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Joshua M. Altman (admitted *pro hac vice*)
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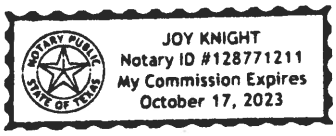
Email: samantha.lawrence@kirkland.com
josh.altman@kirkland.com

Proposed Co-Counsel to the Debtors and Debtors in Possession

EXHIBIT 17

THIS IS **EXHIBIT "17"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

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ENTERED
07/29/2020

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 160**

ORDER (I) APPROVING THE BIDDING PROCEDURES WITH RESPECT TO CERTAIN OF THE DEBTORS' FRACKING EQUIPMENT AND INTELLECTUAL PROPERTY, (II) SCHEDULING AN AUCTION AND A SALE HEARING, (IV) APPROVING THE FORM AND MANNER OF NOTICES RELATED THERETO, (V) APPROVING CONTRACT ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (VI) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (the "Debtors"), for entry of an order (this "Order"), (a) authorizing and approving the Bidding Procedures for the Sale of the Assets; (b) establishing certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any; (c) approving the form and manner of notice of the Auction, if any, and the Sale Hearing; (d) approving the Assumption and Assignment Procedures for the assumption and assignment of certain executory contracts and unexpired leases and related cure amounts; and (e) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and upon the Court having reviewed the *Declaration of Sanjiv Shah in Support of Debtors' Emergency Motions for (I) Entry of an Order Approving the Cementing Bidding Procedures, and (II) Entry of an Order Approving the Fracturing and Titan*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not defined herein have the meaning ascribed to such terms in the Motion.

Bidding Procedures [Docket No. 179] (the "Shah Declaration"); and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate; and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, THE COURT HEREBY FINDS THAT:

1. 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 proceeding pursuant to Bankruptcy Rule 9014. To the extent that 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.

2. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Order of Reference to Bankruptcy Judges*, General Order 2012-6 (S.D. Tex. May 24, 2012) (Hinojosa, C.J.). Venue is proper in this district and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. Good and sufficient notice of the Motion, the Bidding Procedures, and the relief sought in the Motion has been given under the circumstances, and no other or further notice is

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required except as set forth herein. A reasonable opportunity to object or be heard regarding the relief provided herein has been afforded to parties in interest.

4. The bases for the relief requested in the Motion are: (i) sections 105, 363, 503, and 507 of the Bankruptcy Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"); and (ii) Rules 2002, 6004, 6006, 9007, 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 2002-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Local Rules").

5. The Debtors have articulated good and sufficient reasons for this Court to: (a) authorize the Debtors to enter into the Stalking Horse Agreement (b) approve the Bidding Procedures for the Sale of the Assets; (c) establish certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any; (d) approve the form and manner of notice of the Auction, if any, and the Sale Hearing; (f) approve the Assumption and Assignment Procedures for the assumption and assignment of certain executory contracts and unexpired leases and related cure amounts; and (f) granting related relief. The Debtors' compelling and sound business justification, which was set forth in the Motion, the First Day Declaration, the Shah Declaration, and on the record at the Hearing, are incorporated herein by reference and, among other things, form the basis for the findings of fact and conclusions of law set forth herein.

6. The Bidding Procedures attached hereto as **Exhibit 2** are fair, reasonable, appropriate, designed to maximize value from the consummation of the Transaction under the circumstances, and consistent with the Debtors' exercise of their respective fiduciary duties under applicable law.

7. The Stalking Horse Agreement attached as **Exhibit 1** hereto is fair and reasonable and provides a benefit to the Debtors' estates and stakeholders.

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8. The legal and factual bases set forth in the Motion establish just cause for the relief granted herein. Entry of this Order is in the best interests of the Debtors and their estates, creditors, interest holders, and all other parties in interest.

IT IS HEREBY ORDERED THAT:

9. The Motion is granted to the extent as set forth herein.

10. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Motion or by this Order or separate stipulation filed with the Court are overruled; *provided, however*, that any objections to the Transaction (including, without limitation, any objection of the GACP Secured Parties to the sale of their collateral) are preserved for the sale hearing.

I. Important Dates and Deadlines.

Date	Event
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders Deadline	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
File Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Objection Deadline	August 13, 2020, at 4:00 p.m. (prevailing Central Time)
Sale Hearing	August 14, 2020, at 1:30 p.m. (prevailing Central Time)

11. **Notice of Qualified Bidder Deadline**. August 11, 2020, at 7:00 p.m. (prevailing Central Time), is the date and time the Debtors shall provide to bidders that their Bid is a Qualified Bid. If any Bid is determined by the Debtors not to be a Qualified Bid, the Potential Bidder shall

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be notified by the Debtors, **and shall have until the Auction**, to modify its Bid to increase the Purchase Price or otherwise improve the terms of the Bid for the Debtors; provided that any Qualified Bid may be improved at the Auction as set forth herein.

12. **Auction**. August 12, 2020, at a time to be determined, is the date and time the Auction, if any, which will be held by remote video as will be indicated in the Auction Notice or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties. As soon as reasonably practicable after the conclusion of the Auction, the Debtors will provide notice of the Winning Bidder.

13. **Sale Hearing**. August 14, 2020, at 1:30 p.m. (prevailing Central Time) is the date and time for the hearing to consider the approval of the Transaction contemplated by the Winning Bid.

14. **Transaction Objections**. Objections to the Transaction, if any, must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, (c) be filed with the Court so as to be ***actually received*** **by no later than August 13, 2020 at 4:00 p.m.** (prevailing Central Time).

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II. Auction, Bidding Procedures, and Related Relief.

15. The Bidding Procedures, attached hereto as **Exhibit 2**, are incorporated herein and are hereby approved in their entirety, and the Bidding Procedures shall govern the submission, receipt, and analysis of all Bids relating to any Transaction. Any party desiring to submit a Bid shall comply with the Bidding Procedures and this Order. The Debtors are authorized to take any and all actions necessary to implement the Bidding Procedures.

16. At the Auction, the Debtors may: (a) select, in their business judgment, pursuant to the Bidding Procedures, the highest or otherwise best Bid and the Winning Bidder or Backup Bidder; and (b) reject any Bid (regardless of whether such Bid is a Qualified Bid) that, in the Debtors' business judgment, is (i) inadequate, insufficient, or not the highest or best Bid, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, or the Bidding Procedures, or (iii) contrary to, or otherwise not in the best interests of, the Debtors' estates, affected stakeholders, or other parties in interest.

III. Assumption and Assignment Procedures.

17. On a date no later than seven[3] (7) days prior to the Sale Hearing, the Debtors shall file with the Court the Assumption and Assignment Notice attached hereto as **Exhibit 3**, which shall set forth, among other things: (i) the Contract or Contracts to be assumed (or that the Debtors believe may be assumed based on then available Bids); (ii) the names and addresses of the counterparties to such Contracts; (iii) the Assignee, if applicable; (iv) the Assumption Date; (v) the proposed Cure Costs, if any for each such Contract; (vi) a description of any material amendments to the Contract made outside of the ordinary course of business; and (vii) the deadlines and procedures for filing objections to the Assumption and Assignment Notice. For the avoidance of doubt, the Debtors shall serve an Assumption and Assignment Notice on any applicable party as soon as reasonably possible upon learning that the underlying contract may be assumed.

18. The Debtors will cause the Assumption and Assignment Notice to be served (i) by email (or if no email is known, by overnight mail) upon the Contract counterparties affected by

[3] The Debtors shall work with each Potential Bidder to determine what Contracts such bidders are likely to assume in advance of the Bid Deadline. The Debtors will serve the Assumption and Assignment Notice (and adequate assurance information) on all potential counterparties as soon as reasonably practicable to the extent not known prior to the Bid Deadline.

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the Assumption and Assignment Notice at the address set forth in the notice provision of the applicable Contract (and their counsel, if known). To the extent the Debtors seek to assume and assign a lease of non-residential real property, the Debtors will, at the request of the applicable lease counterparty, use commercially reasonable efforts to provide evidence thereof to such applicable lease counterparty (and their counsel, if known) thereby demonstrating that the assignee of the lease has the ability to comply with the requirements of adequate assurance of future performance.

19. Parties seeking to object must file an Assumption Objection so that such Assumption Objection is filed with the Court and **actually received two (2) days prior to the Sale Hearing**; provided that any party that is served with an Assumption and Assignment Notice less than seven days prior to the Sale Hearing may object up to and including at the Sale Hearing. If no objection to the assumption of any Contract is timely filed, each Contract shall be assumed as of the Assumption Date set forth in the applicable Assumption and Assignment Procedures or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree, and the proposed cure amount shall be binding on all counterparties to such Contract and no amount in excess thereof shall be paid for cure purposes; *provided*, *however*, that the Assumption Date for a lease of nonresidential real property shall not occur earlier than the date the Debtors filed and served the applicable Assumption and Assignment Notice.

20. If the Assumed Contract Counterparty does not file and serve an Assumption Objection or supplemental Assumption Objection in a manner that is consistent with the requirements set forth herein, and absent a subsequent order of the Court in connection with such objection establishing an alternative Cure Cost, (a) the Cure Costs, if any, set forth in the Notice

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of Assumption and Assignment shall be controlling, notwithstanding anything to the contrary in any Assumed Contract or any other document, and (b) the Assumed Contract Counterparty will be deemed to have consented to the assumption and assignment of the Assumed Contract and the Cure Costs, if any, and will be forever barred from asserting any other claims related to such Assumed Contract against the Debtors or the Winning Bidder, or the property of any of them.

21. The inclusion of an Assumed Contract on the Notice of Assumption and Assignment will not: (a) obligate the Debtors to assume any Assumed Contract listed thereon or the Winning Bidder to take assignment of such Assumed Contract; or (b) constitute any admission or agreement of the Debtors that such Assumed Contract is an executory contract. Only those Assumed Contracts that are included on a schedule of assumed and acquired Contracts attached to a final asset purchase agreement with a Winning Bidder (including amendments or modifications to such schedules in accordance with such asset purchase agreement) will be assumed and assigned to the applicable Winning Bidder. No Assumed Contract shall be assumed absent closing on the assignment thereof to the applicable Winning Bidder.

22. With regard to Contracts to be assigned, pursuant to section 363(b) of the Bankruptcy Code, the assignment of any Contract shall: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights) and (ii) any and all claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guarantees of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, claims, and encumbrances that purport to give to any party a right or option to effect any forfeiture,

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modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s) (but only in connection with the assignment by the Debtor to the Assignee)), and (b) constitutes a legal, valid, and effective transfer of such Contract(s) and vests the applicable Assignee with all rights, titles, and interests to the applicable Contract(s). For the avoidance of doubt, all provisions of the applicable assigned Contract, including any provision limiting future assignment, shall be binding on the applicable Assignee after consummation of the assignment of such Contract by the Debtors to the Assignee.

IV. Miscellaneous.

23. The failure to include or reference a particular provision of the Bidding Procedures specifically in this Order shall not diminish or impair the effectiveness or enforceability of such a provision.

24. In the event of any inconsistencies between this Order and the Motion and/or the Bidding Procedures, this Order shall govern in all respects.

25. Notwithstanding anything else contained herein, (a) any relief granted herein, including any payment to be made or authorization contained hereunder, shall be subject in all respects to the terms and conditions of, including all requirements imposed upon the Debtors under, any interim or final order of the Court in these chapter 11 cases authorizing the use of cash collateral (as may be modified, amended, or supplemented, the "Cash Collateral Orders") (including, without limitation, the budget required in connection therewith) and the Prepetition ABL Loan Documents and GACP Term Loan Agreement (as defined in the Cash Collateral Orders) approved therein and (b) to the extent there is any inconsistency between the terms and conditions of such Cash Collateral Orders or Prepetition ABL Loan Documents or GACP Term Loan

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Agreement and any action taken or proposed to be taken hereunder, the terms and conditions of such Cash Collateral Orders shall govern.

26. Notwithstanding anything herein to the contrary, the entry of this Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly (a) the GACP Secured Parties' rights to pursue any and all rights and remedies under the Bankruptcy Code, the GACP Term Loan Agreement, or any other applicable agreement or law, or seek any other or supplemental relief in respect of the Debtors, including the right to object to the Debtors' proposed sale of the Assets and the right to seek relief from stay with respect to the GACP Collateral, or the Debtors' or any other party in interest's rights to oppose such relief, or (b) any of the rights and remedies of the Debtors, the GACP Secured Parties, or any other party in interest under the GACP Term Loan Agreement, or other applicable agreement, the Bankruptcy Code, or applicable nonbankruptcy law. Nothing contained in this Order or the Bidding Procedures shall constitute or be construed as the GACP Secured Parties' consent to the sale of the GACP Collateral free and clear of any liens or claims of the GACP Secured Parties, or consent to the use of any proceeds of the GACP Collateral, or other cash collateral in which the GACP Secured parties have an interest by the Debtors or their estates for any purpose or to any extent. Capitalized terms used in this paragraph and not otherwise defined shall have the meanings ascribed to such terms in the Cash Collateral Orders.

27. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

28. Notice of the Motion satisfies the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

29. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

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30. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

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

Signed: July 29, 2020

Marvin Isgur
United States Bankruptcy Judge

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EXHIBIT 1

Stalking Horse Agreement

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into this 24th day of July, 2020 (the "Effective Date") by and among **BJ Services, LLC**, a Delaware limited liability company ("BJS"), **BJ Services Holdings Canada ULC**, a British Columbia unlimited liability company ("BJC", and together with BJS, each a "Seller" and collectively, "Sellers"), and **TES Asset Acquisition, LLC**, a Delaware limited liability company ("Purchaser" and together with Sellers, collectively, the "Parties").

WITNESSETH:

WHEREAS Sellers and certain of their Affiliates are debtors-in-possession under title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code") and, on July 20, 2020 filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court"), commencing the jointly administered bankruptcy cases pending as *In re BJ Services, LLC, et al* Case No. 20-33627 (each, a "Bankruptcy Case" and collectively, the "Bankruptcy Cases");

WHEREAS, Sellers are engaged in, among other things, the use and implementation of the Purchased Assets (defined below) to provide hydraulic fracturing services in the United States and Canada (the "Fracturing Business");

WHEREAS, on July 21, 2020, the Bankruptcy Court granted an order authorizing BJC to act as the foreign representative of its estate for the purpose of BJC seeking recognition of its Bankruptcy Case by the Court of Queen's Bench of Alberta (the "Canadian Court");

WHEREAS, Sellers will request that the Canadian Court grant an order recognizing the Bankruptcy Case of BJC in Canada pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "CCAA");

WHEREAS, Sellers desire to sell and Purchaser desires to purchase from Sellers those certain assets of Sellers as more particularly described herein, in a sale authorized by the Bankruptcy Court pursuant to, inter alia, sections 105, 363, 365, 1123, 1129, 1141 and 1142 of the Bankruptcy Code, in accordance with the other applicable provisions of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure and the local rules for the Bankruptcy Court, all in accordance with and subject to the terms and conditions of this Agreement and subject to entry of the Sale Order and the Sale Recognition Order; and

WHEREAS, certain Affiliates of Purchaser have, as an inducement to Sellers to enter into this Agreement, executed an Equity Commitment Letter (the "Equity Commitment Letter") pursuant to which such Affiliates have agreed, subject to certain conditions set forth therein, to make an equity investment in Purchaser at the Closing, if any, in an amount of cash that, together with any other cash then held by Purchaser, will be equal to the Purchase Price.

NOW, THEREFORE, in consideration of the premises and the mutual covenants, representations and warranties herein contained, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

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ARTICLE I
DEFINITIONS

Section 1.1 "Affiliates" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

Section 1.2 "Alternative Transaction" means any transaction (or series of transactions), whether direct or indirect, concerning a sale, merger, acquisition, issuance, financing, recapitalization, reorganization, liquidation or disposition of the Fracturing Business, the Purchased Assets or any material portion of the assets thereof (in any form of transaction, whether by merger, sale of assets or equity or otherwise); provided, however, that no such transaction will be considered to be an "Alternative Transaction" if such transaction would not prevent the Closing from occurring in accordance with the terms of this Agreement; and provided further, that the foregoing shall not include sales of inventory, equipment sales or other dispositions of immaterial or obsolete assets and licenses of intellectual property rights in the ordinary course of business.

Section 1.3 "Assumed Contracts" means those contracts set forth on Schedule 2.

Section 1.4 "Bidding Procedures" means the Bidding Procedures for the Sale of the Debtors' Fracking Equipment and Intellectual Property substantially in the form attached hereto as Exhibit B.

Section 1.5 "Bidding Procedures Order" means an order of the Bankruptcy Court approving the Bidding Procedures.

Section 1.6 "Equipment" means ancillary equipment, machinery, computers, furniture, furnishings, fixtures, office supplies, tools and related accessories primarily related to or primarily used by or in the Fracturing Business.

Section 1.7 "Financing Order" means an order authorizing the Debtors to utilize cash collateral or procure debtor-in-possession financing, as applicable.

Section 1.8 "Governmental Authority" means any court, administrative agency or any (i) national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, officials, ministers, Crown corporations, central bank, court, tribunal or dispute settlement panel, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) subdivision, agency, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

Section 1.9 "GST/HST" means any taxes imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder, or under any corresponding provincial legislation, including any provincial sales tax, value-added taxes, social services tax, or the provincial

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component of any harmonized sales tax, and includes any interest, penalties or other additions thereto.

Section 1.10 "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the regulations promulgated thereunder.

Section 1.11 "Jobs in Progress Costs" means, as illustrated on Schedule 3, (x) any and all costs incurred by Sellers during the period between the Effective Date and 11:59 PM Central Time on the Closing Date in connection with the provision of (or preparation of provision of) hydraulic fracturing services to new well sites for which such services were not provided prior to the Effective Date, using any of (or in preparation for the use of), allocable to or otherwise related to the Purchased Assets, including but not limited to mobilization and transportation costs, costs of goods, freight, fuel, proppant or chemicals and amounts paid to and expenses incurred in connection with employees and contractors *plus* (y) a contribution margin equal to 15% of the costs incurred pursuant to clause (x) (the "Contribution Margin"). For the avoidance of doubt, Schedule 3 is included solely for illustrative purposes and shall not be deemed in any respect a calculation of Jobs in Progress Costs.

Section 1.12 "Law" means any federal, state, provincial, local, municipal, foreign or international, multinational or other law, statute, legislation, constitution, principle of common law, resolution, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, ruling, directive, pronouncement, determination, decision, opinion or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority.

Section 1.13 "Permitted Liens" means (a) Liens for taxes that are not yet due and payable or the nonpayment of which is permitted or required by the Bankruptcy Code, (b) Liens imposed by applicable Law and incurred in the ordinary course of business for obligations not yet due and payable, or the nonpayment of which is permitted or required by the Bankruptcy Code, to landlords, carriers, warehousemen, laborers, repairmen, materialmen and the like, (c) non-exclusive licenses to proprietary rights granted to customers and suppliers in the ordinary course of business and, in the case of certain patents set forth on Schedule 1, a non-exclusive license granted to Baker Hughes Incorporated and its affiliates pursuant to that certain Intellectual Property License Agreement, dated December 30, 2016, between BJS and Baker Hughes Incorporated, (d) any Liens that will be removed or released by operation of the Sale Order or the Sale Recognition Order and (e) minor imperfections of title and encumbrances disclosed in writing and reasonably acceptable to Purchaser, if any, that are *de minimis* and do not impair the value or interfere with the present or continued use of such property or asset.

Section 1.14 "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, labor union, estate, Governmental Authority or other entity or group.

Section 1.15 "Qualified Bid" has the meaning set forth in the Bidding Procedures.

Section 1.16 "Sale Order" shall be an order of the Bankruptcy Court, in form and substance reasonably acceptable to Purchaser and Sellers, approving the sale of the Purchased

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Assets (including the assumption and assignment of the Assigned Contracts) to Purchaser free and clear of all Liens other than Permitted Liens.

Section 1.17 "Sale Recognition Order" shall be an order of the Canadian Court, in form and substance reasonably acceptable to Purchaser and Sellers recognizing the Sale Order.

ARTICLE II
PURCHASE AND SALE OF ASSETS

Section 2.1 Purchase of Assets. On and subject to the terms and conditions of this Agreement, the Sale Order and the Sale Recognition Order, at the Closing each Seller will sell, transfer, convey, assign and deliver to Purchaser, and Purchaser will purchase and acquire from each Seller, free and clear of all liens, mortgages, pledges, security interests, charges, claims, options or other encumbrances (collectively, "Liens") other than Permitted Liens, all of such Seller's right, title and interest, as of the Closing, in and to the Purchased Assets. For purposes hereof, the "Purchased Assets" shall mean:

(a) to the maximum extent permitted by the Bankruptcy Code and applicable Law, all Assumed Contracts (excluding any accounts receivable relating thereto with respect to periods prior to the Closing);

(b) (i) the intellectual property rights set forth on Schedule 1, (ii) the Assumed Contracts listed on Schedule 2, and (iii) the know-how, trade secrets and other unregistered intellectual property rights (including source code) owned by Sellers (expressly excluding trademarks, domain names, and patents) that exclusively relate to the items listed in Schedule 1 and Schedule 2 (the assets described in clauses (i) through (iii), collectively, the "Specified Assets");

(c) the M&E fleets set forth on Schedule 1 hereto and all other Equipment directly and specifically related thereto (the "M&E Assets"); and

(d) to the extent transferable under applicable Law, any visa-related rights maintained by any Seller for the benefit of any employees identified in writing by Purchaser prior to the date hereof in accordance with applicable law, the expense of which transfer shall be solely borne by Purchaser.

The Purchased Assets do not include, and Sellers shall retain, all of Sellers' assets not specifically identified in this Section 2.1 as being Purchased Assets (any such assets not specifically identified in this Section 2.1 as being Purchased Assets, the "Excluded Assets").

Section 2.2 Assumption of Liabilities. On and subject to the terms and conditions of this Agreement, the Sale Order and the Sale Recognition Order, as of and after the Closing, Purchaser shall assume, and Sellers shall convey, transfer and assign to Purchaser, only the following Liabilities of each Seller, each of which is integral to the value of the Purchased Assets:

(a) all Liabilities relating to the Purchased Assets that arise and accrue after the Closing, relate exclusively to periods following the Closing and are by their terms to be observed, paid, discharged, and performed following the Closing (in each case, except as otherwise provided

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herein, not resulting in whole or in part from, arising out of, relating to, in the nature of, or caused by any pre-Closing breach, violation, breach of warranty, tort, strict liability, infringement or breach or violation of Law) (the "Assumed Liabilities"); and

(b) all Liabilities for which Purchaser has expressly agreed to be responsible in accordance with this Agreement.

Except as expressly provided above, Purchaser shall not assume or be liable for any other Liabilities of any Seller. For purposes hereof, "Liability" means any debt, damage, claim, liability, obligation, loss (whether lost business opportunity or measured as a multiple of earnings, book value, lost profits, diminution in value, revenues, cash flow, or otherwise), fines, costs, expenses, charges, interest, penalties, or commitment of any nature whatsoever (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, or due or to become due, or otherwise).

Section 2.3 Consideration. In consideration of the sale, transfer, conveyance, assignment and delivery of the Purchased Assets by Sellers to Purchaser, in addition to the Purchaser's payment of the Cure Costs and the Jobs in Progress Costs, Purchaser shall pay to BJS a total purchase price in the total amount of Thirty Million Dollars (USD $30,000,000) (the "Purchase Price"), of which Twelve Million Dollars (USD $12,000,000) shall be deemed to be in consideration for the Specified Assets, the Assumed Contracts and the visa-related rights (the "Specified Consideration") and Eighteen Million Dollars (USD $18,000,000) of which shall be deemed to be in consideration for the M&E Assets (the "M&E Consideration"). An amount equal to (x) the Purchase Price minus, (y) the Deposit, plus (z) the progress payment due on or about July 31, 2020 with respect to the Jereh Agreement (as defined on Schedule 2) (the "Jereh Payment") (to the extent paid by Seller prior to the Closing) (if any) shall be paid by Purchaser to Sellers by wire transfer of immediately available funds to one or more bank accounts designated by Sellers at the Closing (the "Closing Date Payment"). For greater certainty, the value of the Assumed Liabilities has been taken into account with respect to the determination of the Purchase Price payable pursuant to this Section 2.3 and the assumption of such Assumed Liabilities by the Purchaser does not constitute separate or additional considerations hereunder.

Section 2.4 Deposit.

(a) Purchaser will, by no later than 5:00 PM Central Time on July 27, 2020, make an earnest money deposit with Citibank, N.A. ("Escrow Agent") in the amount of ten percent (10%) of the Purchase Price (the "Deposit"), by wire transfer of immediately available funds for deposit into a separate escrow account (the "Deposit Escrow Account"), established pursuant to the escrow agreement by and among Sellers, Purchaser and the Escrow Agent, substantially in the form attached hereto as Exhibit A (the "Deposit Escrow Agreement"). The Deposit shall not be subject to any lien, attachment, trustee process, or any other judicial process of any creditor of any Seller or Purchaser and shall be applied against payment of the Purchase Price on the Closing Date.

(b) If this Agreement has been terminated by any Seller pursuant to Section 7.1(c)(i) or Section 7.1(c)(ii) (or by Purchaser pursuant to Section 7.1(b)(ii) in circumstances where any Seller would be entitled to terminate this Agreement pursuant to Section 7.1(c)(i) or Section 7.1(c)(ii)), then Sellers shall retain the Deposit together with all received investment

income, if any. For the avoidance of doubt and notwithstanding anything herein to the contrary, if this Agreement is terminated as contemplated by this Section 2.4(b) prior to the time such Deposit is actually made to the Escrow Agent, Sellers shall be entitled to be paid, and Purchaser shall be obligated to pay to Sellers, an amount equal to the Deposit, and such obligation shall survive the termination of this Agreement.

(c) If this Agreement has been terminated by either of the Sellers, on the one hand, or Purchaser on the other hand, in each case other than as contemplated by Section 2.4(b), then the Deposit, together with all received investment income, if any, shall be returned to Purchaser within five (5) business days after such termination.

(d) The Parties agree that Sellers' right to retain the Deposit, as set forth in Section 2.4(b), is not a penalty, but rather is liquidated damages in a reasonable amount that will compensate Sellers for their respective efforts and resources expended and the opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated hereby, which amount would otherwise be impossible to calculate with precision. Notwithstanding anything in this Agreement to the contrary, (i) Sellers' right to retain the Deposit in accordance with the terms of hereof shall be the sole and exclusive remedy of Sellers and their Affiliates against Purchaser or any of its Affiliates or any of their respective members, partners, officers, managers or representatives for any and all losses that may be suffered based upon, resulting from or arising out of Purchaser's failure to consummate the transactions contemplated by this Agreement, and (ii) upon Sellers' retention of the Deposit, none of Purchaser or any of its Affiliates or any of their respective members, partners, officers, managers or representatives shall have any further liability or obligation relating to or arising out of the circumstances giving rise to Sellers' right to retain the Deposit or otherwise under this Agreement or any other document contemplated hereby. If Sellers elect to retain the Deposit, then Sellers shall not seek any (x) equitable relief or equitable remedies of any kind whatsoever or (y) money damages or any other recovery, judgment, or damages of any kind, including consequential, indirect, special or punitive damages, in each case, relating to or arising out of Purchaser's failure to consummate the transactions contemplated by this Agreement or any other document contemplated hereby. Other than Sellers' right to retain the Deposit, Sellers' sole and exclusive remedy with respect to any matters under this Agreement shall be to seek specific performance in accordance with Section 7.14.

(e) If the Closing occurs, the Deposit shall be transferred to Sellers.

Section 2.5 Jobs in Progress Costs.

(a) Within 10 business days after the Closing Date, Sellers shall deliver to Purchaser a statement (the "Jobs in Progress Statement") setting forth Sellers' calculation of the Jobs in Progress Costs (inclusive of the Contribution Margin). Within five business days from the final determination of the Jobs in Progress Costs (as determined pursuant to Section 2.5(b) and Section 2.5(c)), Purchaser shall pay to Sellers, by wire transfer of immediately available funds to such account or accounts of Sellers as specified by BJS in writing, an amount equal to the Jobs in Progress Costs.

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(b) If Purchaser does not deliver a written notice disputing Sellers' calculation of the Jobs in Progress Costs included in the Jobs in Progress Statement and providing the basis of such dispute in reasonable detail ("Dispute Notice") within five business days of receiving the Jobs in Progress Statement, Purchaser shall be deemed to have agreed with the Jobs in Progress Statement and the calculation of the Jobs in Progress Costs set forth in the Jobs in Progress Statement shall be deemed final and settled for purposes of this Agreement.

(c) If Purchaser delivers a Dispute Notice to Sellers within five business days of receiving the Jobs in Progress Statement, then Sellers and Purchaser shall negotiate in good faith to resolve the dispute. If, after five days from the date a Dispute Notice is given hereunder, Sellers and Purchaser fail to agree on the resolution of the dispute, then a nationally recognized certified public accounting firm jointly selected by Purchaser and BJS that is not then engaged to perform accounting, tax or auditing services for Purchaser or BJS (the "Arbitrating Accountant") shall be jointly engaged as promptly as practicable to arbitrate the dispute. Within ten days after the Arbitrating Accountant accepts the engagement, as evidenced by an engagement letter signed by the Arbitrating Accountant and the Parties (the date of such acceptance being referred to herein as the "Engagement Date"), Purchaser, on the one hand, and Sellers, on the other hand, shall prepare and submit to the Arbitrating Accountant a written brief stating their respective positions on the disputed issue(s). Within ten days thereafter, Purchaser, on the one hand, and Sellers, on the other hand, shall prepare and submit to the Arbitrating Accountant a reply brief to the brief submitted by the other Party or Parties, as applicable. Within thirty days after the Engagement Date, the Arbitrating Accountant shall render its final decision based solely on the materials submitted by each Party. When acting pursuant to this Section 2.5(c), the Arbitrating Accountant shall determine whether and to what extent, if any, Sellers' calculation of the Jobs in Progress Costs (as set forth in the Jobs in Progress Statement) requires adjustment in accordance with this Agreement. The Arbitrating Accountant shall address only those issues in dispute, and may not assign a value to any item greater than the greatest value for such item claimed by a Party or less than the smallest value for such item claimed by a Party. In addition, the Arbitrating Accountant shall apportion its fees and expenses between Sellers, on the one hand, and Purchaser, on the other hand, in proportion to the difference between the relative position of each of them and the Arbitrating Accountant's ultimate determination with respect to the amount of the Jobs in Progress Costs. The decision and award of the Arbitrating Accountant, including the apportionment of its fees, shall be final and binding on the Parties and shall be subject to confirmation and entry of judgment in accordance with applicable Law. In no event shall the Arbitrating Accountant award either Party consequential, incidental, punitive or any other damages. The Jobs in Progress Costs as and if determined pursuant to the terms of this Section 2.5(c) shall be deemed final and settled for purposes of this Agreement.

Section 2.6 GST/HST. The Purchase Price is exclusive of any GST/HST and any GST/HST incurred in connection with the purchase and sale of the Purchased Assets contemplated by this Agreement shall be borne by Purchaser and shall be paid to Sellers in compliance with applicable law. Purchaser further agrees to pay any and all amounts of GST/HST payable in respect of the acquisition of the Purchased Assets under the legislation of any province of Canada, and the Parties agree to attend to the remittance thereof in accordance with such legislation.

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ARTICLE III
CLOSING

Section 3.1 Closing. The closing of the transactions contemplated by this Agreement ("Closing") shall occur within two (2) days after the conditions precedent set forth in Article VI (other than conditions that by their terms or nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions) have been satisfied or waived ("Closing Date") or at such other time that is mutually agreeable to Sellers and Purchaser, by a mutual exchange of electronic documents. Sellers and Purchaser agree that Closing documents that do not require originally signed copies may be signed and exchanged by electronic mail.

Section 3.2 Assumed Contracts. At the Closing and pursuant to section 365 of the Bankruptcy Code, the Sale Order and the Sale Recognition Order, Sellers shall assume and assign to Purchaser, and Purchaser shall assume from such Sellers, the Assumed Contracts. All cure costs, including all actual or pecuniary losses that have resulted from any defaults or breaches under such Assumed Contracts (the "Cure Costs"), shall be paid by Purchaser at the Closing in accordance with this Agreement and section 365 of the Bankruptcy Code.

Section 3.3 Closing Deliveries by Sellers. At or prior to the Closing, Sellers shall deliver to Purchaser:

(a) assignment and assumption agreements necessary to transfer the Purchased Assets in form and substance reasonably acceptable to Purchaser and Sellers (the "Assignment and Assumption Agreements") duly executed by the applicable Sellers;

(b) a certificate of non-foreign status executed by BJS that meets the requirements set forth in U.S. Treasury Regulations Section 1.1445-2(b)(2); and

(c) a joint written instruction, duly executed by Sellers, instructing the Escrow Agent to release to Sellers by wire transfer of immediately available funds, the Deposit.

Section 3.4 Closing Deliveries by Purchaser. At or prior to the Closing, Purchaser shall deliver to Sellers:

(a) the Closing Date Payment;

(b) the Assignment and Assumption Agreements duly executed by Purchaser; and

(c) a joint written instruction, duly executed by Purchaser, instructing the Escrow Agent to release to Sellers by wire transfer of immediately available funds, the Deposit.

ARTICLE IV
ADDITIONAL AGREEMENTS

Section 4.1 Bidding Procedures Motion. As soon as reasonably practicable following commencement of the Bankruptcy Cases (but in no event later than the day following the effective

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date of this Agreement), the Sellers shall file a motion seeking entry of the Bidding Procedures Order.

Section 4.2 Bidding Procedures. The bidding procedures, if any, to be utilized with respect to this Agreement shall be those approved in the *Bidding Procedures Order*. Purchaser agrees and acknowledges that, notwithstanding anything in this Agreement to the contrary, Sellers, including through their respective Affiliates, advisors and representatives, are and may continue soliciting inquiries, proposals, or offers from third parties for the Purchased Assets in connection with any Alternative Transaction, including through an investment banker or other means. Nothing in this Agreement shall prevent Sellers from modifying the bidding procedures as necessary or appropriate to maximize value for Sellers' respective estates in accordance with Sellers' fiduciary obligations. Within five days after entry of the Sale Order (or as soon as reasonably practicable subject to Court availability), BJC shall file an application with the Canadian Court seeking the Sale Recognition Order. For purposes of clarity, Purchaser agrees and acknowledges that, notwithstanding anything in this Agreement to the contrary, Sellers, including through their respective Affiliates, advisors and representatives, are and may continue soliciting inquiries, proposals, or offers from third parties for the Purchased Assets in connection with any Alternative Transaction.

Section 4.3 Auction. Subject to the terms of the *Bidding Procedures Order*, on or prior to August 12, 2020 (or such later date as agreed in writing by all of the Parties hereto, which may be by email correspondence among counsel), the Sellers shall commence the auction (an "Auction") contemplated by the Bidding Procedures, if any Qualified Bid is submitted prior to the Bid Deadline. For the avoidance of doubt, Sellers may conduct an auction process utilizing dates consistent with this Agreement even if approval of such process is not required by the Bankruptcy Court. Subject to the terms of the *Bidding Procedures Order*, on or prior to August 10, 2020 (or such later date as agreed in writing by all of the Parties hereto, which may be by email correspondence among counsel) (the "Bid Deadline"), any and all Qualified Bids shall have been submitted pursuant to the *Bidding Procedures Order*.

Section 4.4 Sale Hearing. The *Bidding Procedures Order* shall contemplate the occurrence of a Sale Hearing (as defined therein) on or prior to August 14, 2020.

Section 4.5 Operations Pending Closing. From the date of this Agreement until the earlier of the termination of this Agreement or the Closing, and taking into account the commencement and pendency of the Bankruptcy Cases and, except with respect to Section 4.5(a), Sellers' liquidity and financing limitations associated therewith, except (x) as required by applicable Law, (y) as otherwise expressly required by terms of this Agreement or (z) with the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed), Sellers shall operate the Purchased Assets in the ordinary course of business. Without limiting the generality of or any exception to the foregoing, Sellers shall, from the date of this Agreement through the Closing:

(a) operate the M&E Assets consistent with their operation immediately prior to the date of this Agreement;

(b) service the customers of the M&E Assets in the ordinary course of business;

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(c) maintain the Purchased Assets in good operating condition, ordinary wear and tear excepted, in the ordinary course of business; and

(d) not terminate (other than by expiration), amend or modify the terms of (other than by automatic extension or renewal) any Assumed Contract (other than any purchase orders).

The Parties acknowledge and agree that Sellers shall be subject to any limitations on operations imposed by the Bankruptcy Court or the Bankruptcy Code.

Section 4.6 Background Licenses to Mixed-Use Intellectual Property.

(a) With respect to intellectual property rights (other than trademarks and domain names and the rights marked as "Excluded IP Rights" on Schedule 1, but expressly including the BJ Services Marks) included in the Purchased Assets, Purchaser hereby grants to Sellers a non-exclusive, royalty-free, fully paid up, irrevocable, worldwide, perpetual (subject to the next sentence) right and license to use such intellectual property rights for the sole and exclusive purpose of performing any remaining obligations of Sellers under the existing scope of any existing contracts to which a Seller (or its respective successor(s) and/or assign(s)) is a party (so long as such contract remains valid and enforceable, and is not rejected under 365(a) of the Bankruptcy Code). At such time as none of the Sellers (or any of their respective successor(s) and/or assign(s)) has any such further obligations, the foregoing license shall terminate.

(b) In addition, with respect to intellectual property rights (other than trademarks and domain names and the rights marked as "Excluded IP Rights" on Schedule 1) included in the Purchased Assets, Purchaser hereby grants to Sellers a non-exclusive, royalty-free, fully paid up, irrevocable, worldwide, perpetual right and license to use such intellectual property rights for the sole purpose of operating or maintaining any existing machinery, systems or equipment where such use is substantially similar to the historical use of such machinery, systems and equipment.

(c) The foregoing licenses (subject to each of the limitations set forth in the preceding paragraphs) shall be transferable or sublicenseable to any purchaser or purchasers of assets relating to the Sellers' retained businesses or relating to any line of business therein, including in connection with any acquirer pursuant to a plan of reorganization.

(d) In addition, Purchaser hereby grants to Sellers a non-exclusive, royalty-free, fully paid up, irrevocable, worldwide, perpetual (subject to the next sentence) right and license to use the BJ Services Marks for purposes of the wind-down of Sellers' remaining business and the sale of any remaining assets of Sellers, including the conduct of any court-ordered sale process or any other sale pursuant to section 363 of the Bankruptcy Code. At such time as none of the Sellers has any further business operations or any further assets to be sold, the foregoing license shall terminate. Further, Purchaser hereby grants to any purchaser or purchasers of Excluded Assets, to the extent consented to by Sellers, a non-exclusive, royalty free, fully paid up, irrevocable, worldwide, perpetual right and license to use the BJ Services Marks for a reasonable period of time after the purchase of any Excluded Asset from Sellers or their designees in order to permit the purchaser of such asset(s) to remove or cover any existing branding from such asset(s).

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(e) With respect to intellectual property rights, other than patents, trademarks and domain names, owned by any of the Sellers, not included in the Purchased Assets and used in or reasonably necessary for the operation of the Purchased Assets, Sellers hereby grant to Purchaser a non-exclusive, royalty-free, fully paid up, irrevocable, worldwide, perpetual right and license to use such intellectual property rights for use in or operation of the Purchased Assets.

Section 4.7 Bankruptcy Actions.

(a) Purchaser shall promptly take all actions as are reasonably requested by any Seller to assist in obtaining the Bankruptcy Court's entry of the Sale Order or any other order reasonably necessary in connection with the transactions contemplated by this Agreement (including the Sale Recognition Order) as promptly as practicable, including furnishing affidavits, financial information, or other documents or information for filing with the Bankruptcy Court and making such employees and advisors or representatives of Purchaser and its Affiliates available to testify before the Bankruptcy Court for the purposes of, among other things providing necessary assurances of performance by Purchaser under this Agreement, and demonstrating that Purchaser is a "good faith" purchaser under section 363(m) of the Bankruptcy Code, as well as demonstrating Purchaser's ability to pay and perform or otherwise satisfy any Assumed Liabilities following the Closing.

(b) Each of Sellers and Purchaser shall (i) appear formally or informally in the Bankruptcy Court if reasonably requested by any of the other Parties or required by the Bankruptcy Court in connection with the transactions contemplated by this Agreement, the Sale Order or the Sale Recognition Order, and (ii) keep the other Parties reasonably apprised of the status of material matters related thereto, including, upon reasonable request promptly furnishing the other with copies of notices or other communications received by Sellers from the Bankruptcy Court or any third party and/or any Governmental Authority with respect to the transactions contemplated by this Agreement, the Sale Order or the Sale Recognition Order.

(c) The Sellers' obligations under this Agreement and in connection with the transactions contemplated hereby and thereby are subject to entry of and, to the extent entered, the Sale Order and the Sale Recognition Order. Nothing in this Agreement shall require any Seller to give testimony to or submit a motion to the Bankruptcy Court that is untruthful or to violate any duty of candor or other fiduciary duty to the Bankruptcy Court or its stakeholders.

(d) Sellers and Purchaser acknowledge that this Agreement and the sale of the Purchased Assets are subject to higher and better bids, the *Bidding Procedures Order*, Bankruptcy Court approval and Canadian Court approval. Sellers and Purchaser acknowledge that Sellers must take reasonable steps to demonstrate that they have sought to obtain the highest or otherwise best transaction in connection with the Purchased Assets, including giving notice thereof to the creditors of Sellers and other interested parties, providing information about Sellers to prospective bidders, entertaining higher and better offers from such prospective bidders, and, in the event that additional qualified prospective bidders desire to bid for the Purchased Assets, determining in Sellers' business judgment to conduct an Auction. The bidding procedures, if any, to be employed with respect to this Agreement and any Auction shall be those approved in the *Bidding Procedures Order*.

(e) Notwithstanding any other provision of this Agreement to the contrary, Purchaser acknowledges that Sellers and their respective Affiliates and advisors or representatives are and may continue soliciting inquiries, proposals, or offers for the Purchased Assets in connection with any Alternative Transaction.

(f) Purchaser shall provide adequate assurance of future performance as required under section 365 of the Bankruptcy Code for the Assumed Contracts. Purchaser agrees that it will take all actions reasonably required to assist in obtaining a Bankruptcy Court finding that there has been an adequate demonstration of adequate assurance of future performance under the Assumed Contracts, such as furnishing affidavits, non-confidential financial information, and other documents or information for filing with the Bankruptcy Court and making Purchaser's advisors and representatives available to testify before the Bankruptcy Court.

(g) If an Auction is conducted, and Purchaser is not the prevailing party at the conclusion of such Auction (such prevailing party, the "Successful Bidder") but is the next highest bidder at the Auction, Purchaser shall be required to serve as a back-up bidder (the "Backup Bidder") and keep Purchaser's bid to consummate the transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement (as the same may be revised in the Auction) open and irrevocable until this Agreement is otherwise terminated. If the Successful Bidder fails to consummate the applicable transaction as a result of a breach or failure to perform on the part of such Successful Bidder, the Backup Bidder will be deemed to have the new prevailing bid, and Sellers may consummate the transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement (as the same may have been improved upon in the Auction).

Section 4.8 Regulatory Approvals.

(a) Subject to the terms and conditions of this Agreement, each Party shall, and shall cause its Affiliates to, use its reasonable best efforts to, to the extent necessary, (i) file (A) any required Notification and Report Form pursuant to HSR Act, with respect to the transactions contemplated by this Agreement no later than ten (10) business days after the date hereof, and (B) any other filing or notification required pursuant to any other competition or antitrust related legal or regulatory requirements of domestic and/or foreign jurisdictions, commissions or governing bodies (along with the HSR Act, "Antitrust Laws") with respect to the transactions contemplated by this Agreement as soon as reasonably practicable following the date hereof; (ii) supply as promptly as practicable any additional information and documentary material that may be requested or required pursuant to any Antitrust Laws, including a request for additional information or documentary material issued pursuant to the HSR Act (a "second request"); and (iii) request early termination of the initial waiting period under the HSR Act, and otherwise cause the expiration or termination of the applicable waiting periods under the HSR Act or any other Antitrust Laws as soon as practicable. For the avoidance of doubt, Purchaser will be responsible for the payment of any filing fees in connection with any notifications required by the HSR Act or any other Antitrust Laws.

(b) In connection with the efforts referenced in this Section 6.2(c) to obtain all requisite approvals and authorizations for the transactions contemplated by this Agreement under any Antitrust Laws, each Party shall use reasonable best efforts to (i) cooperate with each other in

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connection with any filing or submission; (ii) supply the other Parties with any information that may be required in order to make such filings, (iii) keep the other Parties informed in all material respects of any substantive communication received by such Party from, or given by such Party to, any Governmental Authority regarding any of the transactions contemplated by this Agreement; and (iv) to the extent permitted by applicable Law and reasonably practicable, permit the other Parties to review any substantive communication given to it by, and consult with each other in advance of any meeting or conference with, any Governmental Authority. Neither Sellers nor Purchaser will participate in any substantive meeting or discussion with any Governmental Authority with respect of any filings, applications, investigation, or other inquiry without giving the other prior notice of the meeting or discussion and, to the extent permitted by the relevant Governmental Authority and reasonably practicable, the opportunity to attend and participate in such meeting or discussion (which, at the request of either Sellers or the Purchaser, will be limited to outside antitrust counsel only). Sellers will have the right to review (subject to appropriate redactions for confidentiality and attorney-client privilege concerns) and approve the content of any presentations, white papers, or other written materials to be submitted to any Governmental Authority in advance of any such submission.

(c) Without limiting the generality of this Section 4.5(c), if any objections are asserted with respect to the transactions contemplated by this Agreement under any Antitrust Laws or if any suit is instituted or threatened by any Governmental Authority challenging any of the transactions contemplated by this Agreement as violative of any Antitrust Laws, then each of the Parties shall use reasonable best efforts to resolve such objections or challenges as such Governmental Authority may have to such transactions. Notwithstanding the foregoing, reasonable best efforts on the part of the Purchaser and its Affiliates includes, but is not limited to, (i) committing to or effecting by consent decree, hold separate order or otherwise, the sale or disposition of any assets, securities, rights, products, leases, business or other properties, operations or interests (including entering into customary ancillary agreements relating to any such sale, divestiture, licensing or disposition of such assets or businesses), and (ii) contesting, resisting or seeking to have vacated, lifted reversed or overturned any order, whether temporary, preliminary or permanent that prohibits, prevents or restricts the consummation of the transactions contemplated by this Agreement.

(d) Purchaser will not, and will not permit any of its Affiliates to, acquire or agree to acquire (by merging or consolidating with, or by purchasing a substantial portion of the assets of or equity in, or by any other manner), any Person or portion thereof, or otherwise acquire or agree to acquire any assets, if the entering into a definitive agreement relating to, or the consummation of, such acquisition, merger or consolidation could reasonably be expected to (i) impose any delay in the obtaining of, or increase the risk of not obtaining, any permits, orders or other approvals of any Governmental Authority necessary to consummate the transactions contemplated by this Agreement or the expiration or termination of any applicable waiting period, (ii) increase the risk of any Governmental Authority entering an order prohibiting the consummation of the transactions contemplated by this Agreement or (iii) otherwise delay the consummation of the transactions contemplated by this Agreement.

Section 4.9 Jereh Payment. The Sellers shall, between the date of this Agreement and the Closing, use their reasonable efforts to cause Jereh (as defined in Schedule 2) to extend the

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date by which the Jereh Payment must be made such that the Jereh Payment may be made after the Closing has occurred.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of Sellers. Each Seller (jointly and severally with the other Sellers) represents and warrants to Purchaser that the following statements are true and correct as of the date hereof and as of the Closing Date:

(a) Organization. Such Seller is an entity duly incorporated or organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, as applicable, and is qualified to do business in each other jurisdiction where such Seller's business related to the Purchased Assets requires it to be so qualified. Such Seller has all requisite power and authority to own, lease and operate its properties and, taking into account the commencement and pendency of the Bankruptcy Cases and Sellers' liquidity and financing limitations associated therewith, to carry on its applicable portion of the operations associated with the Purchased Assets.

(b) Authorization. Subject to requisite Bankruptcy Court and Canadian Court approvals, such Seller has all requisite corporate power and authority to execute and deliver this Agreement and any documents and agreements to be executed and delivered in connection herewith (the "Ancillary Deliverables") to which such Seller is a party, to perform its obligations hereunder and thereunder, and to carry on the operations of the Purchased Assets as it is now being conducted. Subject to requisite Bankruptcy Court and Canadian Court approvals, and assuming this Agreement is a valid and binding obligation of Purchaser, the execution and delivery of this Agreement and the Ancillary Deliverables and the consummation of the transactions contemplated hereby or thereby by such Seller have been duly authorized by all necessary action on the part of such Seller, and no further action is necessary for such Seller to execute and deliver this Agreement and the Ancillary Deliverables to which such Seller is a party and to perform the obligations of such Seller hereunder and thereunder. This Agreement and the Ancillary Deliverables to which such Seller is a party have been duly executed and delivered by such Seller and constitute the legal, valid and binding obligations of such Seller enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application referring to or affecting the enforcement of creditors' rights, or by general equitable principles.

(c) No Violation; Consents. Assuming that requisite Bankruptcy Court and Canadian Court approvals are obtained, the requirements of the HSR Act and any other applicable antitrust, competition or merger control Laws promulgated by any Governmental Authority are complied with and any filings required by any applicable federal or state securities or "blue sky" Laws are made (collectively, the "Requisite Approvals"), the execution, delivery and performance of this Agreement and the Ancillary Deliverables by such Seller and the consummation of the transactions contemplated thereby will not (i) violate any provision of the certificate of formation, articles of incorporation, bylaws, operating agreement or other analogous charters or governing documents of such Seller, (ii) violate any Law or order of any Governmental Authority by which such Seller or any of its properties or assets are bound or (iii) result in a violation or breach of, or

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constitute a default under, or result in the creation of any Lien (other than Permitted Liens) upon, or create any rights of termination, cancellation or acceleration in any Person with respect to any contract to which such Seller is a party or any permit of such Seller, or any other contract, indenture, mortgage or instrument to which such Seller is a party or by which any of their respective properties or assets are bound. No order or filing, including without limitation any consent, approval or other authorization of any Governmental Authority or under any contract to which such Seller is a party or by which its respective portion of the Purchased Assets are bound, is required as a result of or in connection with the execution or delivery of this Agreement and the Ancillary Deliverables or the consummation by such Seller of the transactions contemplated hereby except the Requisite Approvals.

(d) Title; Condition of Assets. Except as expressly disclosed to the Purchaser in writing, Sellers collectively own all of the Purchased Assets free and clear of any Lien except for Permitted Liens.

Section 5.2 Representations and Warranties of Purchaser. Purchaser represents and warrants to Sellers that the following statements are true and correct as of the date hereof and as of the Closing Date:

(a) Organization. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has full limited liability company power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(b) Power and Authority of Purchaser; Authorization. Purchaser has all requisite limited liability company power and authority to execute and deliver this Agreement and the Ancillary Deliverables to which it is a party, and to perform Purchaser's obligations hereunder and thereunder. The execution and delivery of this Agreement and the Ancillary Deliverables to which Purchaser is a party and the consummation of the transactions contemplated hereby or thereby have been duly authorized by all necessary limited liability company action on the part of Purchaser, and no further action is necessary for Purchaser to execute and deliver this Agreement and Purchaser's Ancillary Deliverables and to perform the obligations of Purchaser hereunder and thereunder. This Agreement and the Ancillary Deliverables to which Purchaser is a party have been and will be duly executed and delivered by Purchaser and constitute the legal, valid and binding obligations of Purchaser enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application referring to or affecting the enforcement of creditors' rights, or by general equitable principles.

(c) Financing. Purchaser (i) has as of the date hereof sufficient funds to deliver the Deposit and access to committed capital subscriptions to pay the remainder of the Purchase Price at the Closing and (ii) will have at the Closing sufficient funds in an aggregate amount necessary to pay the Purchase Price, to perform the Assumed Liabilities as they become due in accordance with their terms and to consummate all of the other transactions contemplated by this Agreement. Purchaser is and shall be capable of satisfying the conditions contained in sections 365(b)(1)(C) and 365(f) of the Bankruptcy Code with respect to the Assumed Contracts and the related Assumed Liabilities. As of the date hereof, Purchaser has provided Sellers with a true,

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correct and complete copy of the Equity Commitment Letter, which has been duly authorized and executed by Purchaser and the other signatories thereto, and constitutes the legal, valid and binding obligation of the Purchaser and the other parties thereto enforceable by Purchaser against each such other party in accordance with its terms.

(d) No Outside Reliance. Notwithstanding anything in this Agreement to the contrary, Purchaser acknowledges and agrees that the representations and warranties made by Sellers in Section 5.1 (as qualified therein) (the "Express Representations") are the sole and exclusive representations, warranties and statements of any kind made to Purchaser and on which Purchaser and any of its Affiliates may rely in connection with the transactions contemplated by this Agreement. Purchaser acknowledges and agrees that (other than solely to the extent expressly set forth in the Express Representations) all other representations, warranties and statements of any kind or nature expressed or implied, whether in written, electronic or oral form, including the historical, current or future business, financial condition, results of operations, assets, Liabilities, properties, contracts, or prospects of the Fracturing Business, the Purchased Assets or the Sellers, or the quality, quantity or condition of the Fracturing Business's or the Purchased Assets, in each case, are specifically disclaimed by Sellers, and that neither Purchaser nor any of its Affiliates has relied on any such representations, warranties or statements. Purchaser acknowledges and agrees that it has conducted to its full satisfaction an independent investigation and verification of the Fracturing Business and the Purchased Assets, and, in making its determination to proceed with the transactions contemplated by this Agreement, Purchaser has relied solely on the results of its or its Affiliates' own independent investigation and verification, and has not relied on, is not relying on, and will not rely on, any information, statements, disclosures, documents, projections, forecasts or other material made available to Purchaser or any of its Affiliates or advisors or representatives, in each case, whether written or oral, made or provided by Sellers or any of their respective Affiliates, advisors or representatives, or any failure of any of the foregoing to disclose information, except to the extent expressly set forth in the Express Representations.

ARTICLE VI
CONDITIONS PRECEDENT

Section 6.1 Conditions to Purchaser's Obligations. Purchaser's obligation to effect the Closing shall be subject to the satisfaction or Purchaser's waiver of the following conditions:

(a) all representations and warranties of Sellers contained in this Agreement shall be true and correct in all material respects as of the Closing as if made on the Closing Date (other than representations and warranties that are made as of a specific date, which representations and warranties shall have been true and correct in all material respects as of such date);

(b) each Seller shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by such Seller at or prior to the Closing;

(c) the total cure costs for the Assumed Contracts provided on Schedule 2 shall not exceed the amount of cure costs listed on Schedule 2 by an amount equal to more than 20% for such Assumed Contracts in the aggregate;

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(d) the Bankruptcy Court shall have entered the Sale Order, and the effectiveness of the Sale Order shall not be subject to any stay;

(e) the Canadian Court shall have entered the Sale Recognition Order, and the effectiveness of the Sale Recognition Order shall not be subject to any stay;

(f) there shall be no order from any Governmental Authority in existence that prohibits or restricts the sale of the Purchased Assets to Purchaser;

(g) all Assumed Contracts are in full force and effect; and

(h) Sellers shall have delivered or caused to be delivered all of the items set forth in Section 3.3.

Section 6.2 Conditions to Sellers' Obligations. Sellers' obligation to effect the Closing shall be subject to the satisfaction or BJS' waiver of the following conditions:

(a) all representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing as if made on the Closing Date (other than representations and warranties that are made as of a specific date, which representations and warranties shall have been true and correct in all material respects as of such date);

(b) there shall be no order from any Governmental Authority in existence that prohibits or restricts the sale of the Purchased Assets to Purchaser;

(c) the applicable waiting period under the HSR Act shall have expired or been terminated and any approvals necessary or any suspensory period in effect under any other Antitrust Laws shall have been received or expired, respectively; and

(d) Purchaser shall have delivered or caused to be delivered all of the items set forth in Section 3.4.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of BJS and Purchaser;

(b) by Purchaser by written notice to BJS if:

(i) Purchaser is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by any Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VI and such breach, inaccuracy or failure has not been cured by the applicable Seller within thirty (30) days of the applicable Seller's receipt of written notice of such breach from Purchaser;

(ii) the Closing shall not have occurred on or before August 28, 2020 (or such other date as is mutually agreed to by the Parties in writing) (the "Outside Date"), unless such failure shall be due to the failure of Purchaser to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;

(iii) the Sale Order has not been entered by the Bankruptcy Court by August 14, 2020; or

(iv) if any Seller enters into one or more Alternative Transactions with one or more Persons other than Purchaser or the Successful Bidder or the Backup Bidder at the Auction or the Bankruptcy Court approves an Alternative Transaction other than with the Successful Bidder or the Backup Bidder; provided that Purchaser shall not be permitted to terminate this Agreement pursuant to this Section 7.1(b)(iv) until after the thirtieth (30th) day following entry by the Bankruptcy Court of an order authorizing and approving an Alternative Transaction with the Successful Bidder at the Auction (and, notwithstanding Purchaser not having been the Successful Bidder or the Backup Bidder at the Auction, until such time (if any) as Purchaser terminates this Agreement pursuant to this Section 7.1(b)(iv), the obligations of Purchaser to consummate the transactions contemplated by this Agreement shall remain unaffected by Purchaser's right to terminate this Agreement pursuant to this Section 7.1(b)(iv));

(c) by Sellers by written notice to Purchaser if:

(i) no Seller is then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Purchaser pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VI and such breach, inaccuracy or failure has not been cured by Purchaser within thirty (30) days of Purchaser's receipt of written notice of such breach from any Seller;

(ii) if all of the conditions set forth in Section 6.1 have been satisfied (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing) or waived and Purchaser fails to complete the Closing at the time required by Section 3.1;

(iii) the Closing shall not have occurred on or before the Outside Date, unless such failure shall be due to the failure of any Seller to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;

(iv) if any Seller or the board of directors (or similar governing body) of any Seller determines that proceeding with the transactions contemplated by this Agreement or failing to terminate this Agreement would be inconsistent with its or such Person's fiduciary duties;

(v) if any Seller enters into one or more Alternative Transactions with one or more Persons other than Purchaser or the Successful Bidder or the Backup Bidder at the Auction or the Bankruptcy Court approves an Alternative Transaction other than with the Successful Bidder or the Backup Bidder;

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(vi) the Sale Order has not been entered by the Bankruptcy Court by August 14, 2020; or

(vii) the Sale Recognition Order has not been granted by the Canadian Court by the earliest available date on the commercial list schedule for the Canadian Court, in accordance with Article IV and the filing deadlines set out in the Commercial Practice Note No. 1 of the Canadian Court dated June 15, 2015; or

(d) by BJS or Purchaser in the event that (i) there shall be any applicable law that makes the consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued any order enjoining the transactions contemplated by this Agreement, and such order shall have become final and non-appealable.

In the event of termination of this Agreement pursuant to this Section 7.1, this Agreement shall forthwith become void and there shall be no Liability on the part of any Party or any of its partners, officers, directors or shareholders; provided that Section 2.4, this last sentence of Section 7.1, and Section 7.8 through Section 7.15 shall survive any such termination.

Section 7.2 Reasonable Efforts; Cooperation.

(a) Subject to the other terms of this Agreement provisions hereof, each Party shall, and shall cause its advisors to, use its reasonable best efforts to perform its obligations hereunder and to take, or cause to be taken, and do, or cause to be done, all things necessary, proper or advisable under applicable law to cause the transactions contemplated herein to be effected as soon as practicable (subject to the following sub-clause (b)) in accordance with the terms hereof and to cooperate with each other Party and its advisors in connection with any step required to be taken as a part of its obligations hereunder. The "reasonable best efforts" of Sellers will not require Sellers or any of their subsidiaries, Affiliates or advisors to expend more than a *de minimis* amount of money to remedy any breach of any representation or warranty to commence any action, to waive or surrender any right, to modify any contract or to waive or forego any right, remedy or condition hereunder.

(b) The obligations of Sellers pursuant to this Agreement, including this Section 7.2, shall be subject to any orders entered, or approvals or authorizations granted or required, by or under the Canadian Court, Bankruptcy Court or the Bankruptcy Code (including in connection with the Bankruptcy Case, and including entry of the *Bidding Procedures Order* (if applicable), the Sale Order and the Sale Recognition Order), any debtor-in-possession financing or order authorizing the use of cash collateral of the Sellers (including any budgets in connection with such financing or use of cash collateral), and each of Sellers' obligations as a debtor-in-possession to comply with any order of the Canadian Court or the Bankruptcy Court (including the *Bidding Procedures Order* (if applicable)) and Sellers' duty to seek and obtain the highest or otherwise best transaction for the Acquired Assets as required by the Bankruptcy Code.

Section 7.3 Alternate Transaction. If Sellers are unable to satisfy all of the conditions to Purchaser's obligations with respect to the M&E Assets by the Outside Date but are able to satisfy the conditions to Purchaser's obligations with respect to the Purchased Assets other than

the M&E Assets (or Purchaser has waived such conditions), Purchaser may, subject to any requisite Bankruptcy Court approvals, in its sole and absolute discretion, elect to consummate the acquisition of the Purchased Assets other than the M&E Assets for the Specified Consideration and on the other terms set forth in this Agreement, *mutatis mutandis*. If Sellers are unable to satisfy all of the conditions to Purchaser's obligations with respect to the Purchased Assets other than the M&E Assets by the Outside Date but are able to satisfy the conditions to Purchaser's obligations with respect to the M&E Assets (or Purchaser has waived such conditions), Purchaser may, subject to requisite Bankruptcy Court approvals, in its sole and absolute discretion, elect to consummate the acquisition of the M&E Assets for the M&E Consideration and on the other terms set forth in this Agreement, *mutatis mutandis*. In each such case, Sellers shall, upon such election by Purchaser, proceed with such transaction on the other terms set forth in this Agreement.

Section 7.4 Necessary Consents. Notwithstanding any other provision of this Agreement to the contrary, this Agreement will not constitute an agreement to assign or transfer and will not affect the assignment or transfer of any Purchased Asset if an attempted assignment or transfer thereof, without the approval, authorization or consent of, or granting or issuance of any license or permit by, any third party thereto (each such action, a "Necessary Consent"), would constitute a breach thereof or of any Law or order or in any way adversely affect the rights of Purchaser thereunder. In such event, Sellers and Purchaser will (a) use their commercially reasonable efforts to obtain the Necessary Consents with respect to any such Purchased Asset or any claim or right or any benefit arising thereunder for the assignment or transfer thereof to Purchaser and (b), in the event a Necessary Consent is not obtained, cooperate in good faith in any lawful and commercially reasonable arrangement, including subcontracting, licensing, or sublicensing to Purchaser any or all of such Seller's rights and obligations with respect to any such Purchased Asset under which (i) Purchaser shall obtain (without infringing upon the legal rights of such third party or violating any Law) the economic rights and benefits (net of the amount of any related tax costs imposed on such Seller or its Affiliates) and (ii) Purchaser shall assume any related burden and obligation (including performance) with respect to such Purchased Asset. Notwithstanding the foregoing, neither any Seller nor Purchaser shall be obligated to pay any consideration therefor to any third party from whom consent or approval is requested or to initiate any litigation or legal proceedings to obtain any such consent or approval.

Section 7.5 Further Assurances. Each party agrees, without further consideration, to cooperate and to promptly execute such other and further documents, instruments and papers after the Closing Date which are required to fully transfer the Purchased Assets to Purchaser. To the extent that either Party discovers after the Closing Date that (i) any rights, interests or assets intended to be transferred and conveyed to Purchaser through this Agreement were inadvertently not conveyed to Purchaser, or (ii) any rights, interests or assets not intended to be transferred and conveyed to Purchaser through this Agreement were inadvertently conveyed to Purchaser, then each Party shall cooperate and take, at such Party's sole cost and expense, such actions as are necessary to effectuate the transfer and conveyance, or as the case may be, the retransfer to the relevant other Party, of such rights, interests and assets without payment of further consideration.

Section 7.6 Transfer Taxes. Any transfer, documentary, sales, use, stamp, registration and other similar taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the transfer of the Purchased Assets to Purchaser pursuant to this Agreement and not exempted under the Sale Order or the Sale

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Recognition Order, by Section 1146(a) of the Bankruptcy Code or applicable state or municipal law ("Transfer Taxes") shall be borne by Purchaser. Purchaser will, at its own expense, file all necessary tax returns and other documentation with respect to all Transfer Taxes, and, if required by applicable law, the Parties will, and will cause their Affiliates to, join in the execution of any such tax returns and other documentation.

Section 7.7 Allocation of Purchase Price. Purchaser and Sellers shall use commercially reasonable efforts to agree to an allocation of the Specified Consideration (and other items treated as consideration for federal income tax purposes) among the Specified Assets, the Assumed Contracts and the visa-related rights and the M&E Consideration (and other items treated as consideration for federal income tax purposes) among the M&E Assets in accordance with Code §1060 and the regulations thereunder (and any similar provision of state, local, or non-U.S. law, as appropriate) (the "Tax Allocation") within 30 days after the Closing Date. If Sellers and Purchaser reach an agreement with respect to the Tax Allocation pursuant to the foregoing sentence, Sellers and Purchaser each agree to report, and to cause their respective Affiliates to report, the U.S. federal, state and local income and other tax consequences of the transactions contemplated herein, and in particular to report the information required by Code §1060(b), and to jointly prepare Internal Revenue Service Form 8594 (Asset Acquisition Statement under Section 1060) in a manner consistent with the Tax Allocation, as may be revised to take into account subsequent adjustments to the Purchase Price, and shall not take any position for U.S. federal, state or local income tax purposes inconsistent therewith upon examination of any tax return, in any refund claim, in any tax litigation, investigation or otherwise, unless required to do so by a "determination" (as defined in Code §1313(a)(1)), or with such other Party's prior consent; provided, however, that nothing contained herein shall prevent Purchaser or Sellers from settling any proposed deficiency or adjustment by any taxing authority based upon or arising out of the Tax Allocation, and neither Purchaser nor Sellers shall be required to litigate before any court any proposed deficiency or adjustment by any taxing authority challenging the Tax Allocation. If Sellers and Purchaser do not reach an agreement with respect to the Tax Allocation under this Section 7.7, Sellers and Purchaser shall be free to file their own asset allocation statements and shall not be subject to the reporting requirements of this Section 7.7. In addition to the Tax Allocation, the Purchaser and Seller shall use commercially reasonable efforts to agree to an allocation of the Purchase Price as between the Purchased Assets sold by each Seller. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 7.7 shall survive the Closing without limitation.

Section 7.8 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been given on the date of delivery in person or by facsimile (receipt confirmed) or of deposit in the United States mail, postage prepaid, if sent by registered or certified mail, return receipt requested, addressed as follows:

If to Purchaser:

Winston & Strawn LLP
2121 N. Pearl Street, Suite 900
Dallas, Texas 75201

If to Sellers:

BJ Services, LLC
11211 FM 2920 Rd.
Tomball, Texas 77375

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Attn: David Lange
Email: dlange@winston.com

Attn: John R. Bakht, General Counsel
Email: john.bakht@bjservices.com

with copy to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attn: Joshua A. Sussberg
Christopher T. Greco
E-mail: joshua.sussberg@kirkland.com
cgreco@kirkland.com

and with copy to:

Bennett Jones LLP
4500 Bankers Hall East
855-2nd Street SW
Calgary, AB, Canada T2P 4K7
Attn: Harinder Basra
Kelsey Meyer
E-mail: basrah@bennettjones.com
meyerk@bennettjones.com

Any Party may change its address for receipt of notices and other communications hereunder by giving appropriate written notice to the other Parties in accordance with the provisions of this Section 7.8.

Section 7.9 Governing Law; Exclusive Venue. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to its conflict of laws principles save and except that the CCAA shall apply with respect to the application to the Canadian Court for the Sale Recognition Order. Subject to the foregoing, the Parties hereby agree that any litigation arising hereunder shall be filed in and resolved exclusively in the Bankruptcy Court or, if the Bankruptcy Court is unwilling or unable to hear such litigation, in the federal or state courts located in Harris County, Texas, United States of America. Each Party hereby irrevocably consents to the personal jurisdiction of such courts and agrees that venue shall be exclusive with such courts.

Section 7.10 Amendment and Waiver. This Agreement may be amended or modified only by written instrument executed by all of the Parties. A waiver of any term or condition of this Agreement shall only be effective if in writing. No waiver by any Party of any breach of any of the covenants to be performed by any other Party shall be construed as a waiver of any subsequent breach of the same term or condition, or a waiver of any other term or condition of this Agreement.

Section 7.11 Assignment. No Party shall assign this Agreement, or any right or duty hereunder, voluntarily or involuntarily, by operation of law or otherwise, without the prior written

consent of the other Parties (which consent shall not be unreasonably withheld, delayed or conditioned).

Section 7.12 AS IS Transaction. UPON CLOSING, IT IS UNDERSTOOD THAT, EXCEPT WITH RESPECT TO THE EXPRESS REPRESENTATIONS, PURCHASER HAS ACCEPTED THE PURCHASED ASSETS IN THEIR "AS IS" CONDITION. EXCEPT AS EXPRESSLY SET FORTH HEREIN, NO WARRANTY, EITHER EXPRESS OR IMPLIED, AND NO REPRESENTATION AS TO THE CONDITION OF SAID PURCHASED ASSETS, THEIR FITNESS FOR ANY PARTICULAR USE OR MERCHANTABILITY, HAS BEEN GIVEN OR IS BINDING UPON SELLERS, ALL OF WHICH SUCH IMPLIED WARRANTIES ARE DISCLAIMED BY PURCHASER. Purchaser acknowledges and agrees that it will, and it will cause its Affiliates to, not assert, institute, or maintain any proceeding, action or lawsuit that makes any claim contrary to this Section 7.12 and Section 5.2(d), including any such proceeding, action or lawsuit with respect to any information, statements, disclosures, or materials, in each case whether written or oral, provided to Purchaser or its Affiliates or their respective advisors and representatives by any Seller or any of their respective Affiliates, or any failure by any of the foregoing to disclose any information. Purchaser acknowledges and agrees that the covenants and provisions contained in this Section 7.12 and Section 5.2(d) require performance after the Closing and are an integral part of the transactions contemplated by this Agreement and that Sellers would not have entered into this Agreement without such covenants and provisions.

Section 7.13 Non-Survival of Representations and Warranties and Certain Covenants; Certain Waivers. Each of the representations and warranties and the covenants and agreements (to the extent such covenant or agreement contemplates or requires performance by such Party prior to the Closing) of the Parties set forth in this Agreement or in any other document contemplated hereby will terminate effective immediately as of the Closing such that no claim for breach of any such representation, warranty, covenant or agreement, detrimental reliance or other right or remedy may be brought with respect thereto after the Closing. Each covenant and agreement that explicitly contemplates performance after the Closing, will, in each case and to such extent, expressly survive the Closing in accordance with its terms, and if no term is specified, then for five (5) years following the Closing Date. Purchaser and Sellers acknowledge and agree that the agreements contained in this Section 7.13 (a) require performance after the Closing to the maximum extent permitted by applicable Law and will survive the Closing for five (5) years; and (b) are an integral part of the transactions contemplated hereby and that, without such agreements, none of the Parties would enter into this Agreement.

Section 7.14 Specific Performance. The Parties agree that irreparable damage, for which monetary relief, even if available, would not be an adequate remedy, would occur in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached, including if any of the Parties fails to take any action required of it hereunder to consummate the transactions contemplated by this Agreement. It is accordingly agreed that (a) the Parties will be entitled to seek an injunction or injunctions, specific performance or other equitable relief to remedy breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled under this Agreement, and (b) the right of specific performance and other equitable relief is an integral part of the transactions contemplated by this Agreement and without that right, neither Sellers nor Purchaser would have entered into this Agreement. The Parties acknowledge and agree that any

Party pursuing an injunction or injunctions or other order to remedy breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement will not be required to provide any bond or other security in connection with any such order. If, prior to the Outside Date, any Party brings any action to enforce specifically the performance of the terms and provisions hereof by any other Party, the Outside Date will automatically be extended (y) for the period during which such action is pending, plus ten (10) days or (z) by such other time period established by the court presiding over such action, as the case may be. In no event will this Section 7.14 be used, alone or together with any other provision of this Agreement, to require any Seller to remedy any breach of any representation or warranty of any Seller made herein. In furtherance of and to the same extent as the foregoing, it is acknowledged and agreed that Sellers shall be entitled to seek specific performance to enforce the terms of the Equity Commitment Letter against the parties thereto and Purchaser's rights thereunder.

Section 7.15 Miscellaneous. This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral, between the Parties. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one Party but all of which taken together shall constitute one and the same Agreement. The section headings in this Agreement are included for convenience only and shall not affect the interpretation of this Agreement. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, including any trustee or estate representative appointed in the Bankruptcy Cases or any successor case. It is the intention of the Parties that nothing in this Agreement shall be deemed to create any right or cause of action in or on behalf of any Person other than the Parties. If any provision of this Agreement is found to be contrary to Law or unenforceable by a court of competent jurisdiction, then the remaining provisions shall be severable and enforceable in accordance with their terms, unless such unlawful or unenforceable provision is material to the transactions contemplated hereby, in which case the Parties shall negotiate in good faith a substitute provision.

Section 7.16 Delegation. By execution of this Agreement, BJC hereby irrevocably constitutes and appoints BJS to act as agent and attorney-in-fact for and on its behalf regarding any matter relating to the Escrow Agreement, including in BJS's capacity as "Seller Representative" thereunder and in taking all such other actions as BJS shall deem necessary or appropriate, in its discretion, for the accomplishment of the transactions contemplated by the Escrow Agreement, and BJC agrees to be bound by all agreements and determinations made by and documents executed and delivered by BJS pursuant to the foregoing authority granted to BJS. BJS will not be liable for any act taken or omitted to be taken under the Escrow Agreement, while acting in good faith, and any act taken or omitted to be taken pursuant to the advice of counsel will be conclusive evidence of such good faith. BJS shall be entitled to rely, and shall be fully protected in relying, upon, any statements furnished to BJS by BJC or any third party or any other evidence deemed by BJS to be reliable, and BJS shall be entitled to act on the advice of its selected counsel. Any such decision, act, consent or instruction given by BJS pursuant to the foregoing grant shall be final, binding and conclusive upon BJC, and Purchaser and the Escrow Agent may rely upon

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any such decision, act, consent or instruction without any liability to, or obligation to inquire of, BJC. The appointment and power of attorney made in this Section 7.16 shall to the fullest extent permitted by applicable Law be deemed an agency coupled with an interest and all authority conferred hereby shall to the fullest extent permitted by Law be irrevocable and not be subject to termination by operation of applicable Law, whether by the death or incapacity or liquidation or dissolution of BJC or the occurrence of any other event or events. Any action taken by BJS on behalf of BJC pursuant to this Section 7.16 shall be as valid as if any such death, incapacity, liquidation, dissolution or other event had not occurred, regardless of whether or not BJC, BJS, any related Person or Purchaser shall have received notice of any such death, incapacity, liquidation, dissolution or other event.

[Signatures on following page]

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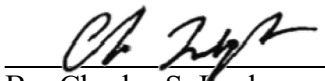
IN WITNESS WHEREOF, the Parties, through their duly authorized representatives, have caused this Agreement to be executed as of the day and year first above written.

PURCHASER

TES ASSET ACQUISITION, LLC



By: Charles S. Leykum
Its: Manager

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SELLERS

BJ SERVICES, LLC

By: _____
Name: Anthony C. Schnur
Its: Chief Restructuring Officer

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BJ SERVICES HOLDINGS CANADA ULC

By: _____

Name: John R. Bakht

Its: Vice President & Secretary

SCHEDULE 1

Purchased Assets

M&E Assets

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Blender	Trailer	BLENDER 125 E EXT - MkII	PRAT	2009	Down	1P9CP40269B343100
Frac Blender	Trailer	125EX FRAC BLENDER W/16BBL MIXING TUB - MkII	PRAT	2012	Active	1P9CP4021CB343092
Frac Blender	Trailer	BLENDER 125 EX 16 BBL TUB - MkII	PRATT INDUSTRIES, INC.	2010	Active	1P9CP4024AB343133
Frac Blender	Trailer	BLENDER 125 E EXT MKII	PRATT INDUSTRIES, INC.	2011	Active	1P9CP4024BB343697
Chem Add	Trailer	CHEM INJ TRAILER ENCLOSED	Peerless	2005	Active	2PLC040205BJ11997
Chem Add	Trailer	SRA-5 Hydra-Frac Liquid Chem Add Trailer	Peerless	2007	Active	2PLC042347GJ13179
Chem Add	Trailer	SRA-5 Hydra-Frac Liquid Chem Add Trailer	Peerless	2007	Active	2PLC042397BH13177
Chem Add	Trailer	SRA-5 Hydra-Frac Liquid Chem Add Trailer	Peerless	2007	Active	2PLC042307BH13178
Chem Add	Trailer	SRA-5 Hydra-Frac Liquid Chem Add Trailer	Peerless	2007	Active	2PLC042367BK13183
Data Van	Body Load	STC-2600 Datavan Fracturing	Kenworth	2007	Active	1NKCL40X07R932535
Data Van	Body Load	STV-2600 Hydra-Frac Data Van Truck	Kenworth	2007	Active	1NKCL40X37R932531
Hydration Unit	Trailer	HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4322EB343391
Hydration Unit	Trailer	UNIT ASSY,HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4324EB343392
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUC1CD016957
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUC5CD016959

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUCXCD016990
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUC0CD016996
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUC2CD016997
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUC4CD016001
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Down	2T9SASUC6CD016002
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Down	2T9SASUC1CD016084
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Down	2T9SASUC6CD016033
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Down	2T9SASUC9CD016124
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Down	2T9SASUC6DD016177
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Down	2T9SASUC8DD016178
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC0DD016191
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC6DD016194
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC4DD016226
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC6DD016227
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC3DD016251
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC5DD016252
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC7DD016253
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC3DD016265
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUCXDD016277
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC5DD016302

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Idle	2T9SASUC7DD016303
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Idle	2T9SASUC1CD016974
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC4DD016193
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2013	Active	2T9SASUC1DD016278
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUCXCD016973
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2012	Active	2T9SASUC4CD016967
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)			Active	PS104
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)			Active	PS105
Maintenance Truck	Tractor	Heavy Duty Vehicle	Ford	2006	Active	1FDAW57P46EA98718
Maintenance Truck	Tractor	Maintenance Truck	Ford	2011	Active	1FD0W5HT1BEC88834
Tractor	Tractor	TRACTOR HYD-III ISX	Peterbilt	2009	Active	1XPTD49X49D773373
Tractor	Tractor	Tractor with wet kit	Western Star	2012	Active	5KJJALBG3CPBE2269
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG7CPBU4689
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG7CPBU4675
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG0CPBU4680
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG6CPBU4683
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG8CPBU4684

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG5CPBU4688
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG3CPBU4690
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG5CPBU4691
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG0CPBU4694
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB ISX 485 hp	Western Star	2011	Active	5KJJALBG8BPAZ6229
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB ISX 485 hp	Western Star	2012	Active	5KJJALBG0CPBE2259
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB ISX 485 hp	Western Star	2012	Active	5KJJALBG3CPBE2286
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB ISX 485 hp	Western Star	2012	Active	5KJJALBG5CPBE2290
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB ISX 485 hp	Western Star	2012	Active	5KJJALBG8CPBE2297
Tractor	Tractor	TR-16 Tractor with Wet Kit 230IN WB	Kenworth	2007	Active	1XKDD00X17R997524
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB ISX 485 hp	Western Star	2012	Active	5KJJALBGXCPBE2298
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230”WB ISX 485 HP	Western Star	2012	Active	5KJJALBG6CPBU4697
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230”WB ISX 485 HP	Western Star	2012	Active	5KJJALBG2CPBU4700
Tractor	Tractor	TRACTOR,TR-18 WET KIT 230”WB ISX 485 HP	Western Star	2012	Active	5KJJALBG4CPBU4701
Tractor	Tractor	TR-18 Wet Kit Tractor 230”WB DD15-475	Western Star	2010	Active	5KJJALDR3APAL1284
Tractor	Tractor	TR-16 Tractor with Wet Kit 230IN WB	Kenworth	2006	Active	1XKDD00X76R992682
Tractor	Tractor	TR-16 Wet Kit Tractor 230IN WB ISX-450	Kenworth	2006	Active	3WKDD40X06F986569

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Tractor	Tractor	TR-16 Wet Kit Tractor 230IN WB ISX-450	Kenworth	2005	Active	1XKDD40X15R979786
Tractor	Tractor	TR-18 Tridem Wet Kit Tractor 260IN WB ISX	Western Star	2011	Active	5KJRALBG5BPAX2991
Tractor	Tractor	TR-18 Wet Kit Tractor 230IN WB DD15-475	Western Star	2010	Active	5KJJALDRXAPAL1282
Tractor	Tractor	TR-18 Wet Kit Tractor 230IN WB DD60 470 hp	Western Star	2008	Active	5KJJALCK48PY65298
Tractor	Tractor	TR-18 Wet Kit Tractor 230IN WB DD60-470	Western Star	2007	Active	5KJJALCK77PZ24195
Tractor	Tractor	TR-18 Wet Kit Tractor 230IN WB ISX 485 hp	Western Star	2011	Active	5KJJALBG2BPAY7929
Tractor	Tractor	TR-18 WET KIT TRACTOR 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG4CPBE2264
Tractor	Tractor	TR-18 WET KIT TRACTOR 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG2CPBE2277
Tractor	Tractor	TR-18 WET KIT TRACTOR 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG0CPBE2276
Tractor	Tractor	TR-18 WET KIT TRACTOR 230WB ISX 485 HP	Western Star	2011	Active	5KJJALBG4BPAZ6230
Tractor	Tractor	TR-18 WET KIT TRACTOR 230WB ISX 485 HP	Western Star	2012	Active	5KJJALBG7CPBE2307
Tractor	Tractor	2012 Western Star 4900SA Tri Drive Tractor	Western Star	2012	Down	5KJRALBG9CPBE2103
Tractor	Tractor	2012 Western Star 4900SA Tri Drive Tractor	Western Star	2012	Active	5KJRALBG5CPBE2101
Tractor	Tractor	TRUCK,XPORT DOTF DRY GEL METERING SKID	Peterbilt	2013	Active	2NP3LN9X3DM185812
Frac Blender	Trailer	BLENDER TM 125 EX 16BBL	Pratt	2011	Active	1P9CP4026BB343698
Frac Blender	Trailer	BLENDER,TM 125 E MkII	Kalyn	2007	Active	5DDKM362871003073

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Blender	Trailer	BLENDER TM 125 EX 16BBL - MkII	Pratt	2012	Active	1P9CP4023CB343112
Chem Add	Trailer	CHEM INJ TRL CUMMINS 4BTAA	Kalyn	2007	Active	5DDKE452571002760
Chem Add	Trailer	CHEM INJ TRL CUMMINS 4BTAA	Kalyn	2005	Active	5DDKM452051001919
Data Van	Body Load	FRAC VAN STV2600 ISC	Peterbilt	2011	Active	2NP3LN9XXBM129458
Data Van	Body Load	FRAC VAN STIM STV2600	Peterbilt	2013	Active	2NP3LN9X7DM172206
Hydration Unit	Trailer	L606 UNIT ASSY,HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4322EB343388
Hydration Unit	Trailer	UNIT ASSY,HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4324EB343487
Manifold	Trailer	Manifold Trailer MK II 4” 1502 10 Station	Worley	2010	Active	1W9UC4828AL216008
Manifold	Trailer	Manifold Trailer MK II 4” 1502 10 Station	Worley	2011	Active	1W9UC4828BL216009
Line Transport	Trailer	LINE TRAILER 3” 1502	Kalyn	2009	Active	5DDKM402491004710
Line Transport	Trailer	4 1002 LINE TRAILER	Pratt	2012	Active	1P9CP4022CB343621
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4435BB343825
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4431BB343823
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Pratt	2011	Active	1P9CP4125BB343691
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4437BB343826
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2012	Down	1P9CP443XCB343045
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2012	Active	1P9CP4431CB343046
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4439BB343827
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2012	Active	1P9CP4433CB343047

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2013	Active	1P9CP443XDB343273
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2013	Active	1P9CP4435DB343276
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2012	Active	1P9CP4433DB343275
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Pratt	2013	Active	1P9CP4123DB343238
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2013	Active	1P9CP4437DB343280
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2013	Active	1P9CP4439DB343281
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Dragon	2014	Active	1UNSF4433EA093888
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4437BB343518
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4438BB343821
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Down	1P9CP4436BB343101
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4434BB343100
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2011	Active	1P9CP443XBB343103
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4438BB343102
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4438BB343097
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP443XBB343098
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2011	Active	1P9CP4431BB343099
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt Industries	2011	Active	1P9C9443XBB343165
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2011	Down	1P9CP4433BB343105
Chem Transport	Trailer	TRANSPORT,BULK DRY 1350 FT3 3 CMPRT	Trail King	2014	Down	1TKP04527EW092558

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS54
Maintenance Truck	Tractor	2011 Peterbilt 337 4x2	Peterbilt	2011	Active	2NP2HN7X1BM124827
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2012	Active	1XPTD49X5CD137729
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X3DD166194
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X2DD166414
Tractor	Tractor	TRACTOR,CONV HYD1 ISX 6X4 PB 232WB 378	Peterbilt	2011	Active	1XPTD49X5BD117012
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2012	Active	1XPTD49XXCD163291
Tractor	Tractor	2013 Peterbilt 367 6x4	Peterbilt	2013	Active	1XPTD49X9DD166331
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X3DD166261
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X8DD183329
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X4DD183330
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2011	Active	1XPTD49X3BD117087
Tractor	Tractor	TRACTOR,CONV HYD1 ISX 6X4 PB 232WB 378	Peterbilt	2011	Active	1XPTD49X1BD117105
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2011	Active	1XPTD49X4BD117132
Tractor	Tractor	2011 Peterbilt 367 6x4	Peterbilt	2011	Active	1XPTD49X3BD117137
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2011	Active	1XPTD49X8BD123211
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2011	Active	1XPTD49X0BD123137
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X1DD166307

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X3DD166437
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X2DD166347
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X7DD166327
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X9DD183310
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2011	Active	1XPTD49X4BD117146
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2009	Active	1XPTD40X39D773510
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2011	Active	1XPTD40X7BD123200
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2012	Active	1XPTD40X7CD155162
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2008	Active	1XPTD40XX8D739949
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2008	Active	1XPTD40X68D739950
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2008	Active	1XPTD40X18D739953
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2008	Active	1XPTD40X58D740118
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2008	Active	1XPTD40X08D740236
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2009	Active	1XPTD40X39D773507
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2009	Active	1XPTD40X29D773515
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2009	Down	1XPTD40X49D773516
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2009	Active	1XPTD40X69D773517
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2011	Active	1XPTD40X8BD123156
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2011	Active	1XPTD40X7BD123231
Frac Blender	Trailer	BLENDER 125 E EXT - MkII	Kalyn	2009	Active	5DDKM393791004536

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Blender	Trailer	BLENDER 125 - E - MkII	Kalyn	2006	Active	5DDKM362461002422
Frac Blender	Trailer	BLENDER TM 125 E - MkII	Kalyn	2007	Down	5DDKM362671003184
Chem Add	Trailer	CHEM INJ TRL CUMMINS 4BTAA	Kalyn	2007	Active	5DDKE452771002761
Chem Add	Trailer	CHEM INJ TRL CUMMINS 4BTAA	Kalyn	2006	Active	5DDKE452761002452
Data Van	Body Load	VAN,STIM STV2600	Peterbilt	2012	Active	2NP3LN9X1CM172202
Data Van	Body Load	FRAC VAN STV2600 ISC	Peterbilt	2012	Active	2NP3LN9X8CM137401
Hydration Unit	Trailer	HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4321EB343396
Hydration Unit	Trailer	UNIT ASSY,HYDR TRLR DPHU100-TM SERIES 60	PRAT	2014	Active	1P9CP4328EB343492
Manifold	Trailer	Manifold Trailer MK II 4” 1502 10 Station	Worley	2010	Active	1W9UC4822AL216005
Manifold	Trailer	Manifold Trailer MK II 4” 1502 10 Station	Worley	2010	Active	1W9UC4828AL216011
Line Transport	Trailer	TRAILER,LINE 4.0 1002	Pratt	2011	Active	1P9CP4023BB343439
Line Transport	Trailer	TRAILER,LINE 4.0 1002	Pratt	2012	Active	1P9CP4023CB343577
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Down	1P9CP443XBB343822
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4437BB343169
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Rhino	2011	Active	1P9CP4435BB343168
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Down	1P9CP4435BB343171
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Pratt	2011	Idle	1P9CP4439BB343173
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4437BB343172
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4436BB343177

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4431BB343104
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2011	Active	1P9CP4433BB343167
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Kalyn	2007	Active	5DDKM443471003069
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKM443271003068
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Down	5DDKM443171003157
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKM443071003067
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKM443671003235
Frac Pump	Trailer	Frac Pump - Gorilla - Quint	Gorilla	2009	Active	1P9CP443X9B343166
Frac Pump	Trailer	Frac Pump - Rhino - Tri	Pratt	2010	Down	1P9CP4127AB343190
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Pratt	2009	Active	1P9CP44339B343171
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Aspen Trailers	2001	Down	1A9PF44331L448097
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Aspen Trailers	2001	Active	1A9PF44351L448098
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Aspen Trailers	2001	Active	1A9PF44371L448099
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2002	Active	13N84440423513273
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2002	Active	13N84440X23513276
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2002	Active	13N84440123513277
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2002	Active	13N84440323513278
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2003	Down	13N24449233518915
Chem Transport	Trailer	TRANSPORT,BULK DRY 1350 FT3 3 CMPRT	Trail King	2014	Active	1TKP04525EW102570

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS60
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2009	Active	1XPTD40X79D773509
Tractor	Tractor	TRACTOR HYD-I GOR ISX	Peterbilt	2005	Active	1XPFD40X35D835737
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2005	Down	1XPFD40X05D835811
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2005	Active	1XPFD40X05D835808
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2007	Active	1XPFD40X87D656371
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2007	Active	1XPFD40X87D656239
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2007	Active	1XPFD40X77D730346
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2005	Active	1XPFD40X85D835779
Tractor	Tractor	TRACTOR HYD-II GOR ISX	Peterbilt	2006	Active	1XPFD40X16D645601
Tractor	Tractor	TRACTOR HYD-II GORILLA	Peterbilt	2004	Active	1XPFDR9XX4D816990
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2012	Active	1XPTD49X7CD137747
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2005	Active	1XPFD49X95D835793
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2007	Active	1XPFD49XX7D656293
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2007	Active	1XPFD49X17D730359
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2007	Active	1XPFD49X87D656292
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X86D656159
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X76D884203
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X36D645604
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2005	Active	1XPFD49X05D884168

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2012	Active	1XPTD49X5CD163246
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2007	Active	1XPFD49X37D656359
Tractor	Tractor	TRACTOR HYD 2	Peterbilt	2007	Active	1XPFD49X17D735884
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X86D884193
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X26D884254
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2013	Active	1XPTD49X4DD166267
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X36D656165
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2007	Active	1XPFD49X87D656275
Tractor	Tractor	2005 Peterbilt 378 6x4	Peterbilt	2005	Active	1XPFD49X85D865125
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2008	Active	1XPTD49X48D739884
Tractor	Tractor	2008 Peterbilt 367 6x4	Peterbilt	2008	Active	1XPTD49X68D739885
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2007	Active	1XPFD49X27D656367
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X46D884255
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X46D884207
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X96D646711
Maintenance Truck	Tractor	TRUCK,CONV ISC 4X2 PB	Peterbilt	2008	Active	2NPLHN7X78M750590
Chem Add	Trailer	CHEM ADD TM UNIT	Pratt	2011	Active	1P9CP4528BB343484
Chem Add	Trailer	CHEM ADD TRL	Pratt	2012	Active	1P9CP4521CB343523
Chem Add	Trailer	CHEM ADD TM UNIT	Kalyn	2007	Active	5DDKM452X71003129

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Chem Add	Trailer	Chem Add	Pratt	2013	Idle	1P9CP4527DB343270
Frac Blender	Trailer	BLENDER 125 - E - MkII	Kalyn	2006	Active	5DDKM362461002422
Frac Blender	Trailer	BLENDER 125 EX 16 BBL TUB - MkII	Pratt	2010	Active	1P9CP4026BB343182
Frac Blender	Trailer	BLENDER TM 125 EX 16BBL	Pratt	2011	Active	1P9CP4026BB343698
Frac Blender	Trailer	BLENDER TM 125 EX 16BBL	Pratt	2010	Active	1P9CP4022AB343213
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS63
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS65
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS89
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Idle	PS87
Hydration Unit	Trailer	HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4321EB343382
Hydration Unit	Trailer	HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4328EB343489
Data Van	Trailer	Trailer Mounted Data Van (DF-4)	Surefire Trailers	2011	Refurb	1V9SX4028BN062266
Frac Blender	Trailer	BLENDER 125 - E - MkII	Kalyn	2006	Active	5DDKM362461002422
Frac Blender	Trailer	BLENDER 125 EX 16 BBL TUB - MkII	Pratt	2010	Active	1P9CP4026BB343182
Chem Add	Trailer	CHEM ADD TM UNIT	Pratt	2011	Active	1P9CP4528BB343484
Chem Add	Trailer	CHEM ADD TRL	Pratt	2012	Active	1P9CP4521CB343523
Data Van	Trailer	COMMAND CTR,TM 40FT 120VAC 60HZ	General	2014	Active	1G9U6FA2XEB460139
Hydration Unit	Trailer	HYDR TRLR DPHU100-TM SERIES 60	Pratt	2014	Active	1P9CP4321EB343382
Manifold	Trailer	Manifold Trailer MK II 4” 1502 10 Station	Worley	2011	Active	1W9UC4823BL216001
Line Transport	Trailer	4 1502 LINE TRAILER	Pratt	2011	Active	1P9CP4024BB343191

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Line Transport	Trailer	TRAILER,LINE 3.0 1502	PRAT	2012	Active	1P9CP4027CB343467
Line Transport	Trailer	TRAILER,LINE 3.0 1502	Pratt	2012	Active	1P9CP402XCB343012
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Pratt	2011	Active	1P9CP4125BB343691
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Pratt	2013	Active	1P9CP4123DB343238
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Dragon	2014	Active	1UNSF4433EA093888
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2003	Active	13N24449133519103
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2003	Down	13N24449833518918
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2003	Active	13N24449733519266
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2004	Active	4LF24430843522238
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2004	Active	4LF24439143522239
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Fontaine	2004	Active	4LF24439843522240
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Gorilla	2005	Active	5DDKE323751001548
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2005	Active	5DDKE323751001582
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2005	Active	5DDKE323751001596
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2005	Active	5DDKE323X51001625
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2005	Down	5DDKE323651001833
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2005	Active	5DDKE322051001897
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2006	Active	5DDKE323061002459
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKE323571002491
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKE323271002562

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKE323671002905
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Down	5DDKM443671002974
Frac Pump	Trailer	Frac Pump - Gorilla - Tri	Kalyn	2007	Active	5DDKM443071003019
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Pratt	2007	Active	1P9CP40297B343136
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Pratt	2007	Active	1P9CP40247B343142
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2009	Active	2T9SASTC5AD016491
Frac Pump	Trailer	Frac Pump - Rhino - Quint	Stewart & Stevenson	2011	Active	2T9SASVC7BD016779
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS63
Frac Valve	Skid	Electronic Pressure Relief Valve (ePRV)	T3		Active	PS65
Tractor	Tractor	TRACTOR HYD-II ISX	Peterbilt	2006	Active	1XPFD49X36D646705
Tractor	Tractor	Tractor, Hydraulic Wet Kit	Kenworth	2007	Active	1XKDD00X37R995905
Tractor	Tractor	TRACTOR HYDRAULIC 1 - GORILLA	Peterbilt	2013	Active	1XPTD40X1DD137788
Tractor	Tractor	Tractor hydraulic II	Peterbilt	2012	Active	1XPTD49X0CD137640
Tractor	Tractor	Tractor Hydraulic l Blender	Peterbilt	2012	Active	1XPTD49X5CD137634
Tractor	Tractor	Tractor Hydraulic l Dual pump	Peterbilt	2012	Active	1XPTD49X0CD137637
Tractor	Tractor	Tractor Hydrualic w/F016	Peterbilt	2011	Active	1XPTD40X0BD123202
Tractor	Tractor	TR-16 Tractor with Wet Kit 230" WB	Kenworth	2007	Idle	1XKDD00X67R997535
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2008	Active	1XPTD49X58D740137
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2011	Active	1XPTD49X2BD116996

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Tractor	Tractor	TRACTOR,CONV HYD5 ISX 6X4 PB 232WB 378	Peterbilt	2012	Active	1XPTD49X6CD163241
Tractor	Tractor	TRACTOR,CONV HYD5 ISX 6X4 PB 232WB 378	Peterbilt	2009	Active	1XPTD49X19D788932
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2013	Active	1XPTD49XXDD166161
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2009	Active	1XPTD49X19D773380
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2007	Active	1XPFD49X07D656190
Tractor	Tractor	2005 Peterbilt 378 6x4	Peterbilt	2005	Active	1XPFD49X15D835772
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2012	Active	1XPTD49X5CD163229
Tractor	Tractor	TRACTOR HYD-V ISX	Peterbilt	2013	Active	1XPTD49X1DD166162
Tractor	Tractor	2013 Peterbilt 367 6x4	Peterbilt	2013	Active	1XPTD49X2DD166302
Tractor	Tractor	TRACTOR HYD-VII ISX	Peterbilt	2013	Active	1XPTD49X3DD183366
Tractor	Tractor	TRACTOR HYD-VII ISX	Peterbilt	2011	Active	1XPTD49X5BD123151
Tractor	Tractor	TRACTOR HYD-VII ISX	Peterbilt	2007	Active	1XPFD49X67D656341
Tractor	Tractor	TRACTOR HYD-VII ISX	Peterbilt	2009	Active	1XPTD49X09D773435
Tractor	Tractor	TRACTOR, GORILLA	Peterbilt	2013	Active	1XPTD40X0DD163329
Tractor	Tractor	TRACTOR, HYDRAULIC 1	Peterbilt	2013	Active	1XPTD49X3DD166132
Tractor	Tractor	2013 Peterbilt 367 6x4	Peterbilt	2013	Active	1XPTD49X0DD166136
Tractor	Tractor	Tractor Hyd I Falcon	Peterbilt	2013	Active	1XPTD49X1DD166159
Tractor	Tractor	Tractor Hyd I Falcon	Peterbilt	2013	Active	1XPTD49X8DD163341

Asset Type Group	Asset Type Group 2	Object Name (EAM)	Make (FA)	Year (FA)	Object Stage L1 (EAM)	VIN / Serial # (FA)
Tractor	Tractor	TRACTOR,CONV HEAVY HAUL ISX 6X4 231WB	Peterbilt	2012	Active	1XPTD40X9CD163201
Tractor	Tractor	TRACTOR,CONV HEAVY HAUL ISX 6X4 231WB	Peterbilt	2013	Active	1XPTD40X7DD163327
Tractor	Tractor	TRACTOR,CONV HYD1 ISX 6X4 PB 232WB 378	Peterbilt	2013	Active	1XPTD49X0DD166234
Tractor	Tractor	TR-16 Wet Kit Tractor 230IN WB ISX-450	Kenworth	2006	Idle	1XKDD40X26R987526
Tractor	Tractor	TRACTOR HYD I ISX	Peterbilt	2009	Active	1XPTD49X29D788910
Tractor	Tractor	TRACTOR HYD I ISX LT WT	Peterbilt	2013	Active	1XPTD49X7DD183323
Maintenance Truck	Tractor	TRUCK,CONV ISC 4X2 PB	Peterbilt	2012	Active	2NP2HN7X0CM137974

Specified IP Assets

Serial Number	Country	Prov / Non-Prov	Title	Summary	Filing Date	Patent Number	Grant Date	Expiry date	Status	Excluded IP Right?
2999968	Canada		Pump Integrity Detection, Monitoring and Alarm Generation	Monitoring the operation of frac pumps and generating wear/failure alarms.	3/26/2018				Pending Published	
3010939	Canada		Baffle System for Flowing Particulates into a Frac Fluid Blender	Baffle system for introducing solid particulates into mixing tub of a blender unit.	7/10/2018				Pending Published	
3010947	Canada		Valve Body for Frac Pumps	Valve bodies having an elastomer seal positioned radially inward of metal valve seat.	7/10/2018				Pending Published	
16/946,079	United States	Non-Prov.			6/5/2020				Pending	Yes
62/899,971	United States	Provisional			9/13/2019				Pending	Yes
13/568,468	United States	Non-Prov.	Apparatus and Methods for Assisting in Controlling the Discharge of Material onto a Conveyor from a Dispenser		8/7/2012	9038865	5/26/2015	8/7/2032	Issued	
13/740,835	United States	Non-Prov.	Apparatus and Methods for Assisting in Controlling Material Discharged from a Conveyor		1/14/2013	9260253	2/16/2016	11/25/2032	Issued	
13/787,378	United States	Non-Prov.	Fracturing Pump Assembly and Method Thereof	Fluid end having primary and secondary hydraulic intensifiers driven by an electric motor.	3/6/2013	9322397	4/26/2016	3/1/2034	Issued	
13/868,526	United States	Non-Prov.	Apparatus and Methods for Providing Blended Natural Gas to at Least One Engine	Monitoring/controlling natural gas and methane flow lines to supply a	4/23/2013	9133779	9/15/2015	5/30/2033	Issued	

				blended hydrocarbon gas to an engine.						
13/948,483	United States	Non-Prov.	Apparatus and Methods for Delivering a High Volume of Fluid into an Underground Well Bore from a Mobile Pumping Unit	Single electric motor drives two frac pumps through flex couplings to the pumps.	7/23/2013	9395049	7/19/2016	3/8/2034	Issued	
14/039,980	United States	Non-Prov.	Apparatus and Methods for Measuring and or Adjusting the Height of Material in the Bin of a Hopper Assembly		9/27/2013	9285260	3/15/2016	1/12/2033	Issued	
14/254,057	United States	Non-Prov.	Fixed Frequency High-Pressure High Reliability Pump Drive	Electric control using fixed phase and frequency.	4/16/2014	9945365	4/17/2018	8/6/2036	Issued	Yes
14/298,216	United States	Non-Prov.	Modular Hybrid Low Emissions Power for Hydrocarbon Extraction	Controlling electric motors based on desired fluid flow rate	6/6/2014	10008880	6/26/2018	1/26/2037	Issued	
14/458,068	United States	Non-Prov.	Reciprocating Pump Cavitation Detection and Avoidance	Monitoring fluid pressure and vibration to detect cavitation.	8/12/2014	9410546	8/9/2016	2/14/2035	Issued	
14/567,332	United States	Non-Prov.	Use of Long Chain Amines and Difunctional Compounds as Tracers		12/11/2014	9297252	3/29/2016	6/27/2034	Issued	
14/601,711	United States	Non-Prov.	Method and System for Automatically Adjusting one or More Operational Parameters in a Borehole	System for monitoring frac jobs by comparing real-time data to historical data.	1/21/2015	10036233	7/31/2018	11/1/2035	Issued	
14/661,397	United States	Non-Prov.	Well Screen-Out Prediction and Prevention	System for monitoring frac jobs by comparing real-time data to historical data.	3/18/2015	9803467	10/31/2017	5/10/2036	Issued	
14/871,641	United States	Non-Prov.	Pump Integrity Detection, Monitoring and Alarm Generation	Monitoring valve wear conditions based on pump cycles.	9/30/2015	10317875	6/11/2019	12/15/2036	Issued	

15/149,957	United States	Non-Prov.	Identifying a Component Used in a Well Operation Using a Leaky Coaxial Antenna	Using a leaky coaxial antenna to identify well components at risk for failure.	5/9/2016				Pending Published	
62/704,567	United States	Provisional			5/15/2020				Pending	Yes
62/899,957	United States	Provisional			9/13/2019				Pending	Yes
62/704,565	United States	Provisional			5/15/2020				Pending	Yes
62/900,291	United States	Provisional			9/13/2019				Pending	Yes
15/929,768	United States	Non-Prov.			5/21/2020				Pending	Yes
62/704,395	United States	Provisional			5/8/2020				Pending	Yes
62/899,966	United States	Provisional			9/13/2019				Pending	Yes
16/026,236	United States	Non-Prov.	Fluid End for Frac Pump	Various improvements in the valve, block, packing, and damper of fluid ends - valve bodies having an elastomer seal positioned radially inward of metal valve seat elected.	7/3/2018				Pending Published	
16/026,254	United States	Non-Prov.	Blender for Frac Fluids	Various improvements in the drive train, fluid density measurement, manifold banks, vortex breakers and cooling systems for blender units.	7/3/2018				Pending Published	
16/111,407	United States	Non-Prov.	Far Field Diverter Material	Diverter mat'l for slickwater fluids having dissolvable particles and proppant.	8/24/2018				Pending Published	
15/929,708	United States	Non-Prov.			5/18/2020				Pending	Yes
15/929,710	United States	Non-Prov.			5/18/2020				Pending	Yes
62/704,401	United States	Provisional			5/8/2020				Pending	Yes

62/900,100	United States	Provisional			9/13/2019				Pending	Yes
62/900,112	United States	Provisional			9/13/2019				Pending	Yes
16/946,082	United States	Non-Prov.			6/5/2020				Pending	Yes
62/899,951	United States	Provisional			9/13/2019				Pending	Yes
16/227,987	United States	Non-Prov.	Devices and Related Methods for Hydraulic Fracturing		12/20/2018				Published	Yes
62/704,560	United States	Provisional			5/15/2020				Pending	Yes
62/899,963	United States	Provisional			9/13/2019				Pending	Yes
15/929,924	United States	Non-Prov.			5/29/2020				Pending	Yes
62/705,055	United States	Provisional			6/9/2020				Pending	Yes
62/899,975	United States	Provisional			9/13/2019				Pending	Yes
16/745,724	United States	Reissue	Modular Hybrid Low Emissions Power for Hydrocarbon Extraction	Controlling electric motors based on desired fluid flow rate	1/17/2020					
16/850,787	United States	Reissue	Fixed Frequency High-Pressure High Reliability Pump Drive	Electric control using fixed phase and frequency.	4/16/2020					
62/705,358	United States	Provisional			6/23/2020				Pending	Yes
15/929,652	United States	Non-Prov.			5/14/2020				Pending	Yes
62/704,462	United States	Provisional			5/12/2020				Pending	Yes
62/704,476	United States	Provisional			5/12/2020				Pending	Yes
62/705,334	United States	Provisional			6/22/2020				Pending	Yes
15/929,770	United States	Non-Prov.			5/21/2020				Pending	Yes
62/704,539	United States	Provisional			5/14/2020				Pending	Yes

16/946,291	United States	Non-Prov.			6/15/2020				Pending	Yes
62/704,774	United States	Provisional			5/28/2020				Pending	Yes
62/704,987	United States	Provisional			6/5/2020				Pending	Yes
62/705,188	United States	Provisional			6/15/2020				Pending	Yes
16/946,171	United States	Non-Prov.			6/9/2020				Pending	Yes
62/704,981	United States	Provisional			6/5/2020				Pending	Yes
62/705,042	United States	Provisional			6/9/2020				Pending	Yes
15/929,715	United States	Non-Prov.			5/18/2020				Pending	Yes
62/704,556	United States	Provisional			5/15/2020				Pending	Yes
62/705,328	United States	Provisional			6/22/2020				Pending	Yes
62/705,354	United States	Provisional			6/23/2020				Pending	Yes
62/705,369	United States	Provisional			6/24/2020				Pending	Yes
62/705,357	United States	Provisional			6/23/2020				Pending	Yes
62/705,376	United States	Provisional			6/24/2020				Pending	Yes
62/705,332	United States	Provisional			6/22/2020				Pending	Yes
62/705,356	United States	Provisional			6/23/2020				Pending	Yes
62/705,375	United States	Provisional			6/24/2020				Pending	Yes
16/946,172	United States	Non-Prov.			6/9/2020				Pending	Yes
62/705,050	United States	Provisional			6/9/2020				Pending	Yes
62/705,850	United States				7/17/2020				Pending	Yes

Item	Description

Trademark	U.S. Application No. 88/977,897 filed December 10, 2019 | Awarded July 14, 2020
Trademark	U.S. Application No. 88/977,898 filed December 10, 2019 | Awarded July 14, 2020
Trademark	U.S. Application No. 88/977,899 filed December 10, 2019 | Awarded July 14, 2020
Trademark	U.S. Application No. 88/977,900 filed December 10, 2019 | Awarded July 14, 2020

All trademarks (whether registered or unregistered) owned by Sellers and incorporating the name BJ, BJ Services or variations thereof (the "BJ Services Marks").

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SCHEDULE 2

Assumed Contracts and Cure Costs

Assumed Contract	Cure Cost
Sales Contract, dated November 20, 2019, by and between Yanti Jereh Petroleum Equipment & Technologies Co., Ltd. ("Jereh") and BJ Services, LLC (the "Jereh Agreement")	$2,512,797
Mutual Non-Disclosure Agreement, dated July 12, 2019, between American Jereh International Corporation and BJ Services, LLC	$0
Strategic Alliance Agreement, dated January 10, 2020, by and between BJ Services, LLC, and Vericor Power Systems LLC	$0
The following agreements involving Approach Controls, Inc. and BJ Services, LLC:	-
Development and Manufacturing Agreement, dated January 7, 2020, by and between BJ Services, LLC and Approach Controls, Inc.	$660,038
Letter between BJ Services, LLC and Warren Arnholtz, dated January 7, 2020	$0
Letter between BJ Services, LLC and Jeff Aitchison, dated January 7, 2020	$0

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Schedule 3

Illustration of Jobs in Progress Costs[1]

Job:	Chevron	Aethon - 1	Aethon - 2	Comstock -1
Compensation	500.48	348.16	304.64	251.45
Contract Labor	1.85	21.59	18.89	18.71
Freight	52.96	20.72	19.34	882.56
Fuel	21.18	16.88	14.77	12.22
Pdt. COGS	71.84	319.45	279.52	877.31
R&M	831.95	510.63	446.80	363.09
Totals	**1,480.27**	**1,237.44**	**1,083.97**	**2,405.33**

Total Expenses Paid			$ 6,207.00
Surcharge		15%	1,241.40
Net Due and Payable			$ 7,448.40

[1] Note that all figures are in thousands and all items and figures are included solely for illustrative purposes and shall not be deemed to be or represent the Jobs in Progress Costs.

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EXHIBIT A

Form of Deposit Escrow Agreement

See attached.

Final Form

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is made and entered into as of July [●], 2020, by and among TES Asset Acquisition, LLC, a Delaware limited liability company ("Buyer"), BJ Services, LLC, a Delaware limited liability company ("Seller Representative") and Citibank, N.A., as escrow agent (the "Escrow Agent"). Capitalized terms used but not defined herein shall have the meanings assigned to them in that certain Asset Purchase Agreement (the "Purchase Agreement"), dated as of July [●], 2020, by and among Seller Representative, BJ Services Holdings Canada ULC, a British Columbia unlimited liability company ("BJC") and Buyer. Each of Buyer and Seller Representative is also referred to herein as a "Party" and, collectively, as the "Parties."

RECITALS

WHEREAS, the Purchase Agreement contemplates the execution and delivery of this Agreement and the deposit by Buyer with the Escrow Agent of an amount equal to USD $3,000,000 (the "Escrow Deposit");

WHEREAS, Buyer and Sellers desire for the Escrow Deposit to be subject to the terms and conditions set forth herein and in the Purchase Agreement;

WHEREAS, BJC has irrevocably constituted and appointed Seller Representative to act as BJC's agent and attorney-in-fact for and on its behalf regarding all actions as Seller Representative shall deem necessary or appropriate, in its discretion, for the accomplishment of the transactions contemplated by this Agreement; and

WHEREAS, Buyer agrees to place or cause to be placed the Escrow Deposit in escrow and the Escrow Agent agrees to hold and distribute such funds in accordance with the terms of this Agreement and the Purchase Agreement.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the Parties and the Escrow Agent agree as follows:

1. Appointment. The Parties hereby appoint the Escrow Agent as their escrow agent for the purposes set forth herein, and the Escrow Agent hereby accepts such appointment and agrees to act as escrow agent in accordance with the terms and conditions set forth herein.

2. Escrow Deposit. Simultaneous with the execution and delivery of this Agreement, Buyer shall deposit with the Escrow Agent the Escrow Deposit in immediately available funds. The Escrow Agent hereby acknowledges receipt of the Escrow Deposit and agrees to hold the Escrow Deposit in a separate and distinct account (the "Escrow Account") subject to and in accordance with the terms and conditions of this Agreement.

3. Investment of Escrow Deposit.

(a) The Escrow Agent shall not invest the Escrow Deposit and shall hold the Escrow Deposit in a "noninterest-bearing deposit account" of Citibank N.A., insured by the Federal Deposit Insurance Corporation (the "FDIC") up to the applicable limits. The Escrow Deposit shall at all times remain available for distribution in accordance with the terms of Section 4 below.

(b) The Escrow Agent shall send an account statement to each of the Parties on a monthly basis reflecting activity in the Escrow Account for the preceding month.

4. Disposition and Termination of the Escrow Deposit. The Parties shall act in accordance with, and the Escrow Agent shall hold and release the Escrow Deposit as provided in, this Section 4 as follows:

(a) Joint Release Instruction.

(i) Subject to Section 4(a)(ii), the Escrow Agent shall hold the Escrow Deposit until Buyer and Seller Representative submit a Joint Release Instruction (as defined below), setting forth the amounts and parties to whom the Escrow Deposit are to be disbursed pursuant to the Purchase Agreement. Upon receipt of such Joint Release Instruction with respect to the Escrow Deposit, the Escrow Agent shall promptly, but in any event within two (2) Business Days after receipt of such Joint Release Instruction, disburse the Escrow Deposit in accordance with such Joint Release Instruction.

(ii) Any instructions setting forth, claiming, containing, objecting to, or in any way related to the transfer or distribution of any funds on deposit in any Escrow Account under the terms of this Agreement must be in writing, executed by the appropriate Party or Parties as evidenced by the signatures of the Person or Persons (an "Authorized Representative") set forth on Exhibit A-1 and Exhibit A-2 and delivered to the Escrow Agent attached to an e-mail received on a Business Day from an e-mail address set forth in Section 11 (with receipt by the Escrow Agent confirmed). In the event a Joint Release Instruction or Final Determination is delivered to the Escrow Agent in accordance with this Agreement, the Escrow Agent is authorized to seek confirmation of such instruction by telephone call back to the Person or Persons designated in Exhibit A-1 and Exhibit A-2 annexed hereto (the "Call Back Authorized Individuals"), and the Escrow Agent may rely upon the confirmations of anyone purporting to be a Call Back Authorized Individual. To assure accuracy of the instructions it receives, the Escrow Agent may record such call backs. If the Escrow Agent is unable to verify the instructions, or is not reasonably satisfied with the verification it receives, it will not execute the instruction until all such issues have been resolved to the reasonable satisfaction of the Escrow Agent. The Persons and telephone numbers for call backs may be changed only in a writing, executed by an Authorized Representative and actually received and acknowledged by the Escrow Agent in accordance with Section 11.

(b) Final Determination. If at any time any of the Parties receives a Final Determination, such Party shall concurrently deliver to the Escrow Agent and the other Party a copy of such Final Determination, and then upon receipt by the Escrow Agent of a copy of such Final Determination from any Party, the Escrow Agent shall (i) promptly deliver a courtesy copy of such Final Determination to the other Parties and (ii) on the fifth (5^{th}) Business Day following receipt by the Escrow Agent of the Final Determination, disburse as directed, part or all, as the case may be, of the Escrow Deposit (but only to the extent such funds are available in the Escrow Account) in accordance with such Final Determination. Subject to the terms of this Section 4(b), the Escrow Agent will act on such Final Determination without further inquiry.

(c) Method of Payment. All payments of any part of the Escrow Deposit shall be made by wire transfer of immediately available funds as set forth in the Joint Release Instruction or Final Determination, as applicable.

(d) Certain Definitions.

(i) "Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are not required or authorized by Law to be closed in New York, New York.

(ii) "Final Determination" means a final non-appealable order of any court of competent jurisdiction which may be issued with respect to the ownership or disbursement of Escrow

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Deposit, together with (A) a certificate executed by an Authorized Representative of the prevailing Party (as between Buyer and Seller Representative) to the effect that such order is final and non-appealable and from a court of competent jurisdiction having proper authority and (B) the written payment instructions executed by an Authorized Representative of the prevailing Party to effectuate such order.

(iii) "Governmental Entity" means any nation or government, any state, province or other political subdivision thereof, any entity exercising executive, legislative, judicial or regulatory or administrative functions of or pertaining to government, including any court, arbitrator or other body or administrative, regulatory or quasi-judicial authority, agency, department, board, commission or instrumentality of any federal, state, local or foreign jurisdiction.

(iv) "Joint Release Instruction" means the joint written instruction executed by an Authorized Representative of each of Buyer and Seller Representative, which is executed by Buyer and Seller Representative, to the Escrow Agent directing the Escrow Agent to disburse all or a portion of the Escrow Deposit, as applicable.

(v) "Person" means any natural person, sole proprietorship, partnership, joint venture, trust, unincorporated association, corporation, limited liability company, entity or Governmental Entity.

5. Escrow Agent. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, which shall be deemed purely ministerial in nature, and no duties, including but not limited to any fiduciary duties, shall be implied. The Escrow Agent shall give the property held in escrow by it hereunder the same degree of care that it gives its own similar property, which in no event shall be less than the standard of care reasonably expected of a professional escrow agent. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply with, the terms and conditions of any other agreement, instrument or document between the Parties, in connection herewith, if any, other than for purposes of the defined terms used but not defined herein, nor shall the Escrow Agent be required to determine if any Person has complied with any such agreements, nor shall any additional obligations of the Escrow Agent be inferred from the terms of such agreements, even though reference thereto may be made in this Agreement. Notwithstanding the terms of any other agreement between the Parties, the terms and conditions of this Agreement will control the actions of Escrow Agent. The Escrow Agent may rely upon and shall not be liable in the absence of its fraud, gross negligence or willful misconduct for acting or refraining from acting upon any Joint Release Instruction or Final Determination furnished to it hereunder and reasonably believed by it to be genuine and to have been signed by the proper Party or Parties. Concurrent with the execution of this Agreement, the Parties shall deliver to the Escrow Agent authorized signers' forms in the form of **Exhibit A-1** and **Exhibit A-2** attached hereto. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Escrow Agent shall have no duty to solicit any payments which may be due it or the Escrow Deposit. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be (a) delivered a Joint Release Instruction that eliminates such conflict or (b) directed otherwise in a Final Determination. The Escrow Agent may after 30 days' notice to each Party of its intention to do so interplead all of the assets held hereunder into a court of competent jurisdiction or may seek a declaratory judgment with respect to certain circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or nonaction based on such declaratory judgment. The Escrow Agent may consult with legal counsel of its selection in the event of any dispute or question as to the meaning or construction of any of the provisions of, or its duties under, this Agreement. The Escrow Agent shall have no liability or

obligation with respect to the Escrow Deposit except for the Escrow Agent's fraud, gross negligence or willful misconduct, as adjudicated by a court of competent jurisdiction. To the extent practicable, the Parties agree to pursue any redress or recourse in connection with any dispute (other than with respect to a dispute involving the Escrow Agent) without making the Escrow Agent a party to the same. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable, directly or indirectly, for any (a) damages, losses or expenses arising out of the services provided under this Agreement, other than damages, losses or expenses which result from the Escrow Agent's fraud, gross negligence or willful misconduct, as adjudicated by a court of competent jurisdiction or (b) special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

6. Resignation and Removal of Escrow Agent. The Escrow Agent (a) may resign and be discharged from its duties or obligations hereunder by giving 30 calendar days advance notice in writing of such resignation to the Parties specifying a date when such resignation shall take effect or (b) may be removed, with or without cause, by Buyer and Seller Representative acting jointly at any time by providing written notice to the Escrow Agent. Any corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the escrow business of the Escrow Agent's line of business may be transferred, shall be the Escrow Agent under this Agreement without further act. The Escrow Agent's sole responsibility after such 30 day notice period expires or after receipt of written notice of removal shall be to hold and safeguard the Escrow Deposit (without any obligation to reinvest the same) and to deliver the same (x) to a substitute or successor escrow agent pursuant to a joint written designation from the Parties, (y) as set forth in a Joint Release Instruction, at which time of delivery the Escrow Agent's obligations under this Agreement shall cease and terminate or (z) in accordance with the directions of a Final Determination, at which time of delivery, the Escrow Agent's obligations hereunder shall cease and terminate. In the event the Escrow Agent resigns, if the Parties have failed to appoint a successor escrow agent prior to the expiration of 30 calendar days following receipt of the notice of resignation, the Escrow Agent may petition any court of competent jurisdiction for the appointment of such a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon all of the Parties.

7. Fees and Expenses. All fees and expenses of the Escrow Agent are described in Schedule 1 attached hereto. The fees agreed upon for the services to be rendered hereunder are intended as full compensation for the Escrow Agent services as contemplated by this Agreement and shall be borne by the Parties one half by Buyer and one half by Seller Representative.

8. Indemnity. Each of Buyer and Seller Representative (on behalf of itself and BJC) agrees to jointly and severally indemnify the Escrow Agent and its Affiliates and their respective successors, assigns, directors, officers, agents and employees (the "Indemnitees") from and against any and all losses, damages, claims, liabilities, penalties, judgments, settlements, actions, suits, proceedings, litigation, investigations, costs or expenses (including the reasonable and documented fees and expenses of one outside counsel and experts and their staffs and reasonable and documented out-of-pocket expenses of document location, duplication and shipment) (collectively "Escrow Agent Losses") arising out of or in connection with: (a) the Escrow Agent's execution and performance of this Agreement, tax reporting or withholding, the enforcement of any rights or remedies under or in connection with this Agreement, or as may arise by reason of any act, omission or error of an Indemnitee, except to the extent that such Escrow Agent Losses, as adjudicated by a court of competent jurisdiction, have been caused by the fraud, gross negligence or willful misconduct of the Escrow Agent or any such Indemnitee or (b) its following any Joint Release Instruction or other proper directions from the Parties received in accordance with this Agreement, except to the extent that its following any such instruction or direction is not permitted under

the terms hereof or applicable Law. Notwithstanding anything to the contrary herein, Buyer and Seller Representative (on behalf of itself and BJC) agree, solely as between themselves, that any obligation for indemnification under this Section 8 shall be borne by the Party or Parties determined by a court of competent jurisdiction to be responsible for causing the loss, damage, liability, cost or expense against which the Escrow Agent is entitled to indemnification or, if no such determination is made, then one-half by Buyer and one-half by Seller Representative. The provisions of this Section 8 shall survive the resignation or removal of the Escrow Agent and the termination of this Agreement for a period of 12 months following such resignation or removal of the Escrow Agent or termination of this Agreement, as applicable. The obligations of Sellers under this Section 8 shall be several and not joint.

9. Tax Matters. The Escrow Agent, its Affiliates, and its employees are not in the business of providing tax or legal advice to any taxpayer outside of Citigroup, Inc. and its Affiliates. This Agreement and any amendments or attachments are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer or for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

10. Covenant of Escrow Agent. The Escrow Agent hereby agrees and covenants with Buyer and Seller Representative that it shall perform all of its obligations under this Agreement and shall not deliver custody or possession of any of the Escrow Deposit to anyone except pursuant (a) to the express terms of this Agreement or (b) as otherwise required by Law (*provided*, that in the case of clause (b), the Escrow Agent will provide the Parties with prior written notice of such delivery).

11. Notices. All notices, demands, requests, instructions, claims, consents, waivers and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered (or, if delivery is refused, upon presentment), received by email (with hard copy to follow) prior to 5:00 p.m. Eastern Time on a Business Day (or the next Business Day if after 5:00 p.m.), (b) on the next day if delivered by reputable overnight express courier (charges prepaid), or (c) three (3) calendar days following mailing by certified or registered mail, postage prepaid and return receipt requested. Unless another address is specified in writing, notices, demands and communications to Buyer, Seller Representative and the Escrow Agent shall be sent to the addresses indicated below:

if to Seller Representative, then to:

BJ Services, LLC
11211 FM 2920 Rd.
Tomball, Texas 77375
Attn: John R. Bakht, General Counsel
Email: john.bakht@bjservices.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attn: Joshua A. Sussberg
Christopher T. Greco
E-mail: joshua.sussberg@kirkland.com
cgreco@kirkland.com

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or, if to Buyer, then to:

TES Asset Acquisition, LLC
700 Louisiana Street, Suite 2700
Houston, Texas 77002
Attn: Charles S. Leykum
Kent Jamison
Email: charlie@cslenergy.com
kent@cslenergy.com

with a copy (which shall not constitute notice) to:

Winston & Strawn LLP
2121 N. Pearl Street, Suite 900
Dallas, Texas 75201
Attn: David Lange
Email: dlange@winston.com

or, if to the Escrow Agent, then to:

Citibank, N.A.
Attn: Rola Tseng-Pappalardo
Citi Private Bank
388 Greenwich Street, 29th Floor
Telephone.: 212-783-7030
Facsimile.: 212-783-7131
E-mail: rola.tsengpappalardo@citi.com

12. Termination. This Agreement shall terminate on the first to occur of (a) the distribution of all of the amounts in the Escrow Account in accordance with this Agreement or (b) delivery to the Escrow Agent of a written notice of termination executed jointly by an Authorized Representative of both Buyer and Seller Representative after which this Agreement shall be of no further force and effect except that the provisions of Section 8 and Section 20 hereof shall survive termination for the time period specified therein.

13. Miscellaneous. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the Parties and the Escrow Agent. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any Party, except as provided in Section 6 and Section 16, without the prior consent of the other Party and the Escrow Agent. This Agreement shall be governed by and construed under the laws of the State of Delaware. Each Party and the Escrow Agent irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the exclusive jurisdiction of the Chancery Court of the State of Delaware or the Federal District Court for the District of Delaware. EACH PARTY AND THE ESCROW AGENT HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES AND/OR THE ESCROW AGENT (WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIPS ESTABLISHING AMONG THE PARTIES HEREUNDER. THE PARTIES AND THE ESCROW AGENT FURTHER WARRANT AND REPRESENT THAT

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EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. This Agreement and any Joint Release Instruction may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the Parties and the Escrow Agent to this Agreement may be transmitted by electronic transmission in .pdf and such .pdf will, for all purposes, be deemed to be the original signature of such Party and the Escrow Agent whose signature it reproduces, and will be binding upon such Party and the Escrow Agent. If any provision of this Agreement is determined to be prohibited or unenforceable by reason of any applicable law of a jurisdiction, then such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof, and any such prohibition or unenforceability in such jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. The Parties represent, warrant and covenant that each document, notice, instruction or request provided by such Party to the Escrow Agent shall comply with applicable Laws and regulations. Where, however, the conflicting provisions of any such applicable Law may be waived, they are hereby irrevocably waived by the Parties and the Escrow Agent to the fullest extent permitted by Law, to the end that this Agreement shall be enforced as written. Except as expressly provided in Section 8, nothing in this Agreement, whether express or implied, shall be construed to give to any Person or entity other than the Escrow Agent and the Parties any legal or equitable right, remedy, interest or claim under or in respect of this Agreement or any funds escrowed hereunder. Buyer and Seller Representative agree, solely as between themselves, that, notwithstanding anything to the contrary contained in this Agreement or in any other agreement, in the event of any conflict or inconsistency between the terms of this Agreement (on the one hand) and the Purchase Agreement (on the other hand), the terms of the Purchase Agreement shall govern.

14. Compliance with Court Orders. In the event that any Escrow Deposit shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the property deposited under this Agreement, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, *provided, however*, the Escrow Agent shall immediately notify each of the Parties, to the extent legally permissible, of any such writ, order or decree as well as the course of action the Escrow Agent intends to take upon the advice of its legal counsel. In the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other Person, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

15. Further Assurances. From and after the date of this Agreement, as requested by any Party or the Escrow Agent but without further consideration, each Party and the Escrow Agent shall execute and deliver or cause to be executed and delivered any such further information, instruments and documents as the other Party or the Escrow Agent, as applicable, shall reasonably request to consummate or confirm the transactions provided for herein, to accomplish the purpose hereof or to assure the other Party or the Escrow Agent the benefits hereof.

16. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and the Escrow Agent and their respective successors and assigns; *provided*, that except as expressly set forth below and expressly contemplated with regard to the Escrow Agent in Section 6, neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by any Party or the Escrow Agent (including by operation of Law) without the

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prior written consent of the other Party and the Escrow Agent. Any attempted assignment not in accordance with the terms of this Section 16 shall be null and void *ab initio*.

17. Force Majeure. The Escrow Agent shall not incur any liability for not performing any act or fulfilling any obligation hereunder by reason of any occurrence beyond its control (including, but not limited to, any provision of any present or future Law or regulation or any act of any governmental authority, any act of God or war or terrorism, or the unavailability of the Federal Reserve Bank wire services or any electronic communication facility), it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

18. Compliance with Federal Law. To help the U.S. Government fight the funding of terrorism and money laundering activities and to comply with federal law requiring financial institutions to obtain, verify and record information on the source of funds deposited to an account, the Parties agree to provide the Escrow Agent with the name, address, taxpayer identification number, and remitting bank for all Parties depositing funds with the Escrow Agent pursuant to the terms and conditions of this Agreement. For a non-individual Person such as a business entity, a charity, a trust or other legal entity, the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

19. Use of Citibank Name. No publicly distributed printed or other material in any language, including prospectuses, notices, reports, and promotional material which mentions "Citibank" by name or the rights, powers, or duties of the Escrow Agent under this Agreement shall be issued by a Party, or on such Party's behalf, without the prior written consent of the Escrow Agent.

20. Confidentiality. Except as required by Law, Escrow Agent agrees to keep confidential, and to cause any of its Affiliates or agents to keep confidential and not to disclose any and all documents, materials, and any other non-public information which it shall have obtained regarding the Parties in connection with the execution and delivery of this Agreement and its performance of its duties and obligations hereunder. This Section 20 shall survive termination of this Agreement for a period of twelve (12) months after such termination.

* * * * *

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IN WITNESS WHEREOF, each of the Parties and the Escrow Agent have executed this Agreement as of the date set forth above.

BUYER:

TES ASSET ACQUISITION, LLC

By: _____
Name:
Its:

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SELLER REPRESENTATIVE:

BJ SERVICES, LLC

By: _____
Name:
Its:

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ESCROW AGENT:

CITIBANK, N.A.

By: _____
Name:
Its:

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Schedule 1

ESCROW AGENT FEE SCHEDULE
Citibank, N.A., Escrow Agent

Acceptance Fee
To cover the acceptance of the Escrow Agent's appointment, the study of the Agreement, and supporting documents submitted in connection with the execution and delivery thereof, and communication with other members of the working group:

Fee: Waived.

Administration Fee
The annual administration fee covers maintenance of the Escrow Account including safekeeping of assets in the Escrow Account, normal administrative functions of the Escrow Agent, including maintenance of the Escrow Agent's records, follow-up of the Agreement's provisions, and any other safekeeping duties required by the Escrow Agent under the terms of the Agreement. Fee is based on Escrow Deposit being deposited in a "noninterest bearing deposit account", of Citibank, N.A., FDIC insured to the applicable limits.

Fee: Waived.

Tax Preparation Fee
To cover preparation and mailing of Forms 1099-INT, if applicable for the escrow parties for each calendar year:

Fee: Waived.

Transaction Fees
To oversee all required disbursements or release of property from the Escrow Account to any escrow party, including cash disbursements made via check and/or wire transfer, fees associated with postage and overnight delivery charges incurred by the Escrow Agent as required under the terms and conditions of the Agreement:

Fee: Waived.

Other Fees
Material amendments to the Agreement: additional fee(s), if any, to be discussed at time of amendment.

TERMS AND CONDITIONS: The above schedule of fees does not include charges for out-of-pocket expenses or for any services of an extraordinary nature that Citibank or its legal counsel may be called upon from time to time to perform. Fees are also subject to satisfactory review of the documentation, and Citibank reserves the right to modify them should the characteristics of the transaction change. Citibank's participation in this program is subject to internal approval of the third party depositing monies into the escrow account to be established hereunder. The Acceptance Fee, if any, is payable upon execution of the Agreement. Should this schedule of fees be accepted and agreed upon and work commenced on this program but subsequently halted and the program is not brought to market, the Acceptance Fee and legal fees incurred, if any, will still be payable in full.

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EXHIBIT A-1

Certificate as to Buyer's Authorized Signatures

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Buyer and are authorized to initiate and approve transactions of all types for the Escrow Account or accounts established under this Agreement, on behalf of Buyer. The below listed Persons (must list at least two individuals, if applicable) have also been designated Call Back Authorized Individuals and will be notified by Citibank N.A. upon the release of Escrow Deposit from the Escrow Account.

Name / Title / Telephone	Specimen Signature
Name	Signature
Title	
Phone	Mobile Phone
Name	Signature
Title	
Phone	Mobile Phone
Name	Signature
Title	
Telephone	Mobile Phone

NOTE: Actual signatures are required above. Electronic signatures, "Docusigned" signatures and/or signature fonts are not acceptable.

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EXHIBIT A-2

Certificate as to Seller Representative's Authorized Signatures

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Seller Representative and are authorized to initiate and approve transactions of all types for the Escrow Account or accounts established under this Agreement, on behalf of Seller Representative. The below listed Persons (must list at least two individuals, if applicable) have also been designated Call Back Authorized Individuals and will be notified by Citibank N.A. upon the release of Escrow Deposit from the Escrow Account.

Name / Title / Telephone	Specimen Signature
Name	Signature
Title	
Phone	Mobile Phone
Name	Signature
Title	
Phone	Mobile Phone
Name	Signature
Title	
Telephone	Mobile Phone

NOTE: Actual signatures are required above. Electronic signatures, "Docusigned" signatures and/or signature fonts are not acceptable.

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EXHIBIT B

Bidding Procedures for the Sale of the Debtors' Fracking Equipment and Intellectual Property

See attached.

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	(Emergency Hearing Requested)

BIDDING PROCEDURES FOR THE SALE OF THE DEBTORS' FRACKING EQUIPMENT AND INTELLECTUAL PROPERTY

On July 20, 2020, BJ Services, LLC and certain of its subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Court"). On July 24, the Debtors filed the *Debtors' Emergency Motion for Entry of an Order (I) Approving the Bidding Procedures with Respect to Certain of the Debtors' Fracking Equipment and Intellectual Property, (II) Scheduling an Auction And A Sale Hearing, (III) Approving The Form And Manner Of Notices Related Thereto, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Motion"), seeking approval of, among other things, the procedures to determine the highest or otherwise best offer for the sale (the "Sale" or "Transaction") of the Debtors' right, title, and interest in certain vendor contracts and intellectual property related to the Debtors' next-generation fracturing pump platform referred to as TITAN™ (the "Titan Assets"), certain of the Debtors' other intellectual property assets (including the "BJ Services" name) (the "Intellectual Property"), and certain machinery and equipment (the "M&E Assets," and together with the Intellectual Property and Titan Assets, the "Assets").[2]

On July 24, 2020, BJ Services, LLC ("BJS") and BJ Services Holdings Canada, ULC (together with BJS, each a "Seller" and collectively the "Sellers") entered into that certain asset purchase agreement (the "Stalking Horse Agreement") with TES Asset Acquisition, LLC

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] The Transaction may be structured as an asset sale, equity sale, plan of reorganization, or otherwise, as determined by the Debtors in consultation with the Winning Bidder (as defined below).

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(the "Stalking Horse Bidder"), pursuant to which, among other things, the Stalking Horse Bidder proposed to purchase, acquire, and/or take assignment and delivery of the Purchased Assets.[3]

On [●], 2020, the Bankruptcy Court entered an *Order (I) Approving the Bidding Procedures with Respect to Certain of the Debtors' Fracking Equipment and Intellectual Property, (II) Scheduling an Auction And A Sale Hearing, (III) Approving The Form And Manner Of Notices Related Thereto, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Order," and the procedures contemplated herein, the "Bidding Procedures"). Pursuant to the Bidding Procedures, the Debtors are authorized to select the Stalking Horse Bidder (as defined below) and after announcing the Stalking Horse Bidder, if any, solicit further Bids (as defined below) culminating in an auction intended to obtain a higher or otherwise better Bid for the Transaction (the "Auction").

Key Dates

The key dates for the Sale are as follows. Such dates may be extended or otherwise modified by the Debtors.

Date	Event
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders Deadline	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
File Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Objection Deadline	August 13, 2020, at 4:00 p.m. (prevailing Central Time)
Sale Hearing	No later than August 14, 2020

Sale Process

I. Participation Requirements.

To receive due diligence information, including full access to the Debtors' electronic data room and to additional non-public information regarding the Debtors, a party interested in

[3] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Stalking Horse Agreement.

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consummating the Transaction (each, a "Potential Bidder") must deliver to Simmons, the following documents (the "Preliminary Bid Documents"):

(a) an executed Confidentiality Agreement on terms reasonably acceptable to the Debtors, to the extent not already executed; and

(b) if requested, proof or other documentation acceptable to the Debtors, after consultation with the Consultation Parties (as defined below), of the Potential Bidder's financial capacity to close a proposed Transaction and provide adequate assurance of future performance under any executory contracts and unexpired leases to be assumed by the Debtors and assigned to such Potential Bidder pursuant to section 365 of the Bankruptcy Code, in connection with the Transaction.

The Debtors and their advisors will coordinate all reasonable requests from Potential Bidders for additional information and due diligence access; *provided* that the Debtors may decline to provide such information to Potential Bidders who, at such time and in the Debtors' business judgment, after consultation with the Consultation Parties, have not established, or who have raised doubt, that such Potential Bidder intends in good faith to, or has the capacity to, consummate the Transaction.

Each Potential Bidder shall comply with all reasonable requests for additional information and due diligence access by the Debtors, the official committee of unsecured creditors (the "Committee"), if any, or their respective advisors regarding such Potential Bidder and its contemplated Transaction.

Stalking Horse Bid

On July 24, 2020, the Debtors entered into the Stalking Horse Agreement with the Stalking Horse Bidder, pursuant to which, among other things: the Stalking Horse Bidder proposed to (a) purchase, acquire, and take assignment and delivery of, free and clear of all liens, claims encumbrances and other interests (except as provided in the Stalking Horse Agreement), the Assets, and certain executory contracts and unexpired leases and designation rights related thereto, and (b) assume the assumed liabilities (as defined in the Stalking Horse Agreement) (collectively the "Stalking Horse Agreement") on the terms set forth in the Stalking Horse Purchase Agreement, subject to higher or better bids.

Process for Additional Qualified Bids and Auction

The Debtors will solicit further Bids intended to obtain a higher or otherwise best Bid for the Transaction.

A. Bid Deadline.

A Potential Bidder that desires to make a proposal, solicitation, or offer (each, a "Bid") shall transmit such proposal, solicitation, or offer via email (in .pdf or similar format) so as to be

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actually received on or before **August 10, 2020, at 11:59 p.m. (prevailing Central Time)** (the "Bid Deadline") to:

(i) Simmons, 609 Main Street, Suite 3800, Houston, Texas 77002, Attn: Sanjiv Shah (sanjiv.shah@simmonspsc.com); Tim McEuen (Tim.McEuen@simmonspsc.com); Steve Erzinger (Steve.Erzinger@simmonspsc.com), and Kirby Stockard (Kirby.Stockard@simmonspsc.com);

(ii) Kirkland & Ellis LLP, 601 Lexington Ave New York, New York 10022, Attn: Joshua A. Sussberg (jsussberg@kirkland.com) and Christopher T. Greco (cgreco@kirkland.com), and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha Lawrence (samantha.lawrence@kirkland.com) and Josh M. Altman (josh.altman@kirkland.com); and

(iii) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn: Jason S. Brookner (brookner@grayreed.com), Paul D. Moak (pmoak@grayreed.com), and Amber M. Carson (acarson@grayreed.com).

B. Bid Requirements.

Each Bid by a Potential Bidder must be submitted in writing and satisfy the following requirements (collectively, the "Bid Requirements"):

(i) **Purpose**. Each Potential Bidder must state that the Bid is an offer to purchase certain of the Assets and state which assets with specificity.

(ii) **Purchase Price**. Each Bid must clearly set forth the terms of any proposed Transaction, including and identifying separately any cash and non-cash components of the proposed Transaction consideration (the "Purchase Price") and allocating the Purchase Price among the assets.

(iii) **Deposit**. Each Bid must be accompanied by a cash deposit in the amount equal to 10% of the aggregate value of the proposed Purchase Price of the Bid to be held in a separate account for the benefit of the Debtors (the "Deposit").

(iv) **Marked Agreement**. Each Bid must include a signed asset purchase agreement, together with all exhibits and schedules thereto, the form of which will be provided to any Potential Bidder before the Bid Deadline, along with a redline version of such agreement relative to the Stalking Horse Agreement, attached hereto as **Exhibit B**, pursuant to which the Qualified Bidder proposes to effectuate the Transaction (collectively, the "Transaction Documents").

(v) **Committed Financing**. To the extent that a Bid is not accompanied by evidence of the Potential Bidder's capacity to consummate the Transaction set forth in its Bid with cash on hand, each Bid must include committed financing documented to the Debtors' satisfaction after consultation with the Consultation Parties that

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demonstrates that the Potential Bidder has received sufficient debt and/or equity funding commitments to satisfy the Potential Bidder's Purchase Price and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals.

(vi) **Contingencies; No Financing or Diligence Outs**. A Potential Bidder's Bid cannot contain any financing, diligence or other contingencies of any nature not included in the Stalking Horse Agreement.

(vii) **Binding and Irrevocable**. An Acceptable Bidder's Bid must be irrevocable unless and until the Debtors accept a higher Bid and such Acceptable Bidder is not selected as the Backup Bidder (as defined below).

(viii) **Identity**. Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Potential Bidder if such Potential Bidder is an entity formed for the purpose of consummating the proposed Transaction contemplated by such Bid), and the complete terms of any such participation. Each Bid should also include contact information for the specific person(s), counsel, and other advisor whom Simmons and Kirkland & Ellis LLP should contact regarding such Bid.

(ix) **Adequate Assurance Information**. Each Bid must be accompanied by sufficient and adequate financial and other information to demonstrate, to the satisfaction of the Debtors, that such Potential Bidder (a) has the financial wherewithal and ability to consummate the Transaction designated in the applicable purchase agreement, and (b) can provide adequate assurance of future performance in connection the Transaction.

(x) **Authorization**. Each Bid must contain evidence acceptable to the Debtors that the Potential Bidder has obtained authorization or approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid, execution, and delivery of the Transaction Documents, and the consummation of the Transaction contemplated in such Bid.

(xi) **No Fees**. Each Potential Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed Transaction, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.

(xii) **Time Frame for Closing**. A Bid by a Potential Bidder must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors.

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(xiii) **Adherence to Bidding Procedures**. By submitting its Bid, each Potential Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.

C. Minimum Value.

The Bid must provide for a (i) a cash Purchase Price equal to: (a) the Purchase Price set forth in the Stalking Horse Bid, plus (b) $500,000 (the "Minimum Value").

D. Designation of Qualified Bidders.

A Bid will be considered a "Qualified Bid," and each Potential Bidder that submits a Qualified Bid will be considered a "Qualified Bidder," if the Debtors, after consultation with the Consultation Parties, determine that such Bid:

(i) satisfies the Bid Requirements set forth above;

(ii) provides a Purchase Price that exceeds the Minimum Value; and

(iii) is reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors and the Committee.

The Debtors will notify each Qualified Bidder and the Stalking Horse Bidder whether such party is a Qualified Bidder and shall provide the Notice Parties a copy of each Qualified Bid by the Notice of Qualified Bidders Deadline. At such time, the Debtors shall also distribute copies of the Qualified Bids to the Stalking Horse Bidder and each Qualified Bidder.

If any Bid is determined by the Debtors not to be a Qualified Bid, the Potential Bidder shall be notified by the Debtors, and shall have until **the start of the Auction** to modify its Bid to increase the Purchase Price or otherwise improve the terms of the Bid for the Debtors; *provided* that any Qualified Bid may be improved at the Auction as set forth herein.

Between the date the Debtors notify a Potential Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their Purchase Price, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; and *in addition*, any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

Notwithstanding anything herein to the contrary, the Debtors reserve the right to work with (a) Potential Bidders and Potential Bidders to aggregate two or more Bids into a single

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consolidated Bid or (b) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction. The Debtors reserve the right to cooperate with any Potential Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtors may accept a single Qualified Bid or multiple Bids that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple bidders shall be treated as a single Qualified Bidder for purposes of the Auction).

The Stalking Horse Bidder shall be deemed to be a Qualified Bidder, the Stalking Horse Bid shall be deemed a Qualified Bid, and the Stalking Horse Bidder may participate in the Auction with respect to the Assets.

E. No Qualified Bids.

If the Debtors have received no Qualified Bids other than a Stalking Horse Bid as of the Bid Deadline, then the Auction will not occur and the Stalking Horse Bidder will be deemed the Winning Bid (as defined below). The Debtors reserve all rights to extend the Bid Deadline to such later date that the Debtors believe is necessary, in their sole discretion, to obtain additional Qualified Bids.

F. The Auction.

If the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Bid, the Debtors will conduct the Auction to determine the Winning Bidder with respect to the Transaction.

Prior to the Auction, the Debtors and their advisors will notify all Qualified Bidders and the Stalking Horse Bidder of the highest or otherwise best Qualified Bid, as determined in the Debtors' business judgment (the "Baseline Bid"), and provide copies of the documents supporting the Baseline Bid to all Qualified Bidders, the Stalking Horse Bidder, the Committee, if any, and the Notice Parties. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Winning Bid shall take into account any factors the Debtors, after consultation with the Consultation Parties, reasonably deem relevant to the value of the Qualified Bid to the Debtors' estates, including, among other things: (a) the number, type, and nature of any changes to the Stalking Horse Agreement requested by the Qualified Bidder; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close the Transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtors' estates from the Transaction contemplated by the Baseline Bid; (e) the tax consequences of such Qualified Bid; and (f) impact to vendors, landlords, and employees (collectively, the "Bid Assessment Criteria").

The Auction shall take place at **a time to be determined no later than August 12, 2020**, by remote video as will be indicated in the Auction Notice, or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties. The Auction shall be conducted in a timely fashion according to the following procedures:

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(i) The Debtors and their professionals shall direct and preside over the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid. All incremental Bids made thereafter shall be Overbids (as defined below) and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction.

(ii) Only Qualified Bidders (including the Stalking Horse Bidder), the Debtors, the Consultation Parties, and each of their respective legal and financial advisors, and any other parties specifically invited or permitted to attend by the Debtors, shall be entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Except as otherwise permitted by the Debtors, only Qualified Bidders shall be entitled to bid at the Auction.

(iii) **Terms of Overbids**. "Overbid" means any Bid made at the Auction by a Qualified Bidder subsequent to the Debtors' announcement of the Baseline Bid, including any by the Stalking Horse Bidder. Each Overbid must comply with the following conditions:

(a) Minimum Overbid Increment. Any Overbid following the Baseline Bid or following any subsequent Prevailing Highest Bid (as defined below) shall be in increments of $500,000, unless otherwise determined by the Debtors in an exercise of their business judgment (the "Overbid Increment").

(b) Conclusion of Each Overbid Round. Upon the solicitation of each round of Overbids, the Debtors may announce a deadline (as the Debtors may, in their business judgment, extend from time to time, the "Overbid Round Deadline") by which time any Overbids must be submitted to the Debtors.

(c) Overbid Alterations. An Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtors' estates than any prior Qualified Bid or Overbid, as determined in the Debtors' business judgment after consultation with the Consultation Parties, but shall otherwise comply with the terms of these Bidding Procedures.

(d) Announcing Highest Bid. Subsequent to each Overbid Round Deadline, the Debtors shall announce whether the Debtors have identified an Overbid as being higher or otherwise better than the Baseline Bid, in the initial Overbid Round, or, in subsequent rounds, the Overbid previously designated by the Debtors as the prevailing highest or otherwise best Bid (the "Prevailing Highest Bid"). The Debtors shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtors as the Prevailing Highest Bid, as well as the value attributable by the Debtors to

such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria. For the avoidance of doubt, the Prevailing Highest Bid may be multiple Qualified Bids if, in the Debtors business judgment, such bids, taken together, are the highest or otherwise best Bid.

(iv) **Consideration of Overbids**. The Debtors reserve the right, in their business judgment, after consultation with the Consultation Parties, to adjourn the Auction one or more times, to, among other things (i) facilitate discussions between the Debtors and Potential Bidders, (ii) allow Qualified Bidders to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their business judgment, may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed Transaction at the prevailing Overbid amount.

(v) **Closing the Auction**. The Auction shall continue until there is only one Qualified Bid that the Debtors determine, in their business judgment, after consultation with the Consultation Parties, to be the highest or otherwise best Qualified Bid. Such Qualified Bid shall be declared the winning bid (the "Winning Bid") and such Qualified Bidder, the winning bidder (the "Winning Bidder"), at which point the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid. Such acceptance by the Debtors of the Winning Bid is conditioned upon approval by the Court of the Winning Bid. For the avoidance of doubt, nothing in these Bidding Procedures shall prevent the Debtors from exercising their respective fiduciary duties under applicable law. As soon as reasonably practicable after closing the Auction, the Debtors shall finalize definitive documentation to implement the terms of the Winning Bid, and, as applicable, cause such definitive documentation to be filed with the Court.

(vi) **No Collusion; Good-Faith *Bona Fide* Offer**. Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (i) it has not engaged in any collusion with respect to the bidding and (ii) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Transaction if selected as the Winning Bidder.

G. Backup Bidder.

(i) Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid at the Auction, as determined by the Debtors in the exercise of their business judgment, after consultation with the Consultation Parties, shall be required to serve as a backup bidder (the "Backup Bidder") until such time that the Transaction is consummated upon entry of an order approving the Sale under section 363 of the Bankruptcy Code, and each Qualified Bidder shall

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agree and be deemed to agree to be the Backup Bidder if so designated by the Debtors.

(ii) The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtors, at the conclusion of the Auction at the same time the Debtors announce the identity of the Winning Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until such time that the Transaction is consummated upon entry of an order approving the Transaction under section 363 of the Bankruptcy Code. The Backup Bidder's Deposit shall be held in a separate account pending approval of the Transaction by court order.

(iii) If the Winning Bidder fails to consummate the approved Transaction contemplated by its Winning Bid, the Debtors may select the Backup Bidder as the Winning Bidder, and such Backup Bidder shall be deemed a Winning Bidder for all purposes. The Debtors will be authorized, but not required, to consummate the Transaction contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Winning Bidder's Deposit shall be forfeited to the Debtors' estates, and the Debtors, on behalf of themselves and their estates, specifically reserve the right to seek all available remedies against the defaulting Winning Bidder, including, but not limited to, specific performance.

H. Notice and Consultation Parties.

Information must be provided to the following under these Bidding Procedures (the "Notice Parties"): (a) counsel to JPMorgan Chase Bank, N.A., in its capacity as agent under the Debtors' prepetition ABL credit agreement (the "Prepetition ABL Agent"), (b) counsel to GACP Finance Co., LLC, in its capacity as agent under the Debtors' prepetition equipment term loan (the "Prepetition Equipment Term Loan Agent"), (c) counsel to CLMG Corp., in its capacity as agent under the Debtors' prepetition real estate term loan (the "Prepetition Real Estate Term Loan Agent" and together with the Prepetition ABL Agent and Prepetition Term Loan Agent, the "Agents"), (d) counsel to the Committee, and (e) the United States Trustee for the Southern District of Texas.

The term "Consultation Parties" as used in these Bidding Procedures shall mean: (a) counsel to Prepetition ABL Agent, (b) counsel to Prepetition Equipment Term Loan Agent, and (c) counsel to any Committee, if any. To the extent that any party that would otherwise be a Consultation Party has not fully and irrevocably waived its right to submit a Bid, it shall not be a Consultation Party.

I. "As Is, Where Is."

Consummation of any Transaction will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtors or their estates,

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except as specifically accepted or agreed to by the Debtors. Except as specifically accepted or agreed to by the Debtors, all of the Debtors' right, title, and interest in and to the Assets will be transferred to the Winning Bidder pursuant to section 363(b) of the Bankruptcy Code.

By submitting a Bid, each Potential Bidder will be deemed to acknowledge and represent that it (i) has had an opportunity to conduct adequate due diligence regarding the Transaction prior to making its Bid, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Transaction or the completeness of any information provided in connection therewith or the Auction, except the representations and warranties as expressly stated in the Potential Bidder's Transaction Documents; and (iv) the Potential Bidder did not engage in any collusive conduct and acted in good faith in submitting its Bid.

J. Reservation of Rights.

The Debtors reserve their rights to modify these Bidding Procedures in their business judgment, in consultation with the Consultation Parties, in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on the Transaction, including: (a) extending the bid deadline set forth in these Bidding Procedures; (b) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) canceling the Auction; and (e) rejecting any or all Bids or Qualified Bids. Nothing in these Bidding Procedures shall abrogate the fiduciary duties of the Debtors. Notwithstanding anything to the contrary herein, the Debtors, in consultation with the Consultation Parties, may elect to consummate the Transaction through a chapter 11 plan as opposed to under section 363(b) of the Bankruptcy Code.

K. Consent to Jurisdiction.

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of these Bidding Procedures.

L. Approval of Winning Bid Hearing.

A hearing to consider the Transaction under section 363 of the Bankruptcy Code (the "Sale Hearing") pursuant to which the Debtors and the Winning Bidder intend to consummate the Transaction contemplated by the Winning Bid will be held **no later than August 14, 2020** and otherwise in accordance with any scheduling order entered by the Court.

The Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Hearing. No further notice of any such continuance will be required to be provided to any party.

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M. Return of Deposit.

The Deposit of the Winning Bidder shall be applied to the Purchase Price of such Transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more separate accounts on terms acceptable to the Debtors and shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) on the date that is three business days after the Auction.

If a Winning Bidder fails to consummate a proposed Transaction because of a breach by such Winning Bidder, the Debtors will not have any obligation to return the Deposit deposited by such Winning Bidder, which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors and their estates, and the Debtors shall be free to consummate the proposed Transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

N. No Modification of Bidding Procedures.

These Bidding Procedures may not be modified except in accordance with Section J of these Bidding Procedures.

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EXHIBIT 2

Bidding Procedures

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	(Emergency Hearing Requested)

BIDDING PROCEDURES FOR THE SALE OF THE DEBTORS' FRACKING EQUIPMENT AND INTELLECTUAL PROPERTY

On July 20, 2020, BJ Services, LLC and certain of its subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Court"). On July 24, the Debtors filed the *Debtors' Emergency Motion for Entry of an Order (I) Approving the Bidding Procedures with Respect to Certain of the Debtors' Fracking Equipment and Intellectual Property, (II) Scheduling an Auction And A Sale Hearing, (III) Approving The Form And Manner Of Notices Related Thereto, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Motion"), seeking approval of, among other things, the procedures to determine the highest or otherwise best offer for the sale (the "Sale" or "Transaction") of the Debtors' right, title, and interest in certain vendor contracts and intellectual property related to the Debtors' next-generation fracturing pump platform referred to as TITAN™ (the "Titan Assets"), certain of the Debtors' other intellectual property assets (including the "BJ Services" name) (the "Intellectual Property"), and certain machinery and equipment (the "M&E Assets," and together with the Intellectual Property and Titan Assets, the "Assets").[2]

On July 24, 2020, BJ Services, LLC ("BJS") and BJ Services Holdings Canada, ULC (together with BJS, each a "Seller" and collectively the "Sellers") entered into that certain asset purchase agreement (the "Stalking Horse Agreement") with TES Asset Acquisition, LLC

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] The Transaction may be structured as an asset sale, equity sale, plan of reorganization, or otherwise, as determined by the Debtors in consultation with the Winning Bidder (as defined below).

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(the "Stalking Horse Bidder"), pursuant to which, among other things, the Stalking Horse Bidder proposed to purchase, acquire, and/or take assignment and delivery of the Purchased Assets.[3]

On [●], 2020, the Bankruptcy Court entered an *Order (I) Approving the Bidding Procedures with Respect to Certain of the Debtors' Fracking Equipment and Intellectual Property, (II) Scheduling an Auction And A Sale Hearing, (III) Approving The Form And Manner Of Notices Related Thereto, (IV) Approving Contract Assumption and Assignment Procedures, and (V) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Order," and the procedures contemplated herein, the "Bidding Procedures"). Pursuant to the Bidding Procedures, the Debtors are authorized to select the Stalking Horse Bidder (as defined below) and after announcing the Stalking Horse Bidder, if any, solicit further Bids (as defined below) culminating in an auction intended to obtain a higher or otherwise better Bid for the Transaction (the "Auction").

Key Dates

The key dates for the Sale are as follows. Such dates may be extended or otherwise modified by the Debtors.

Date	Event
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders Deadline	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
File Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Objection Deadline	August 13, 2020, at 4:00 p.m. (prevailing Central Time)
Sale Hearing	August 14, 2020, at 1:30 p.m. (prevailing Central Time)

[3] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Stalking Horse Agreement.

Sale Process

I. Participation Requirements.

To receive due diligence information, including full access to the Debtors' electronic data room and to additional non-public information regarding the Debtors, a party interested in consummating the Transaction (each, a "Potential Bidder") must deliver to Simmons, the following documents (the "Preliminary Bid Documents"):

(a) an executed Confidentiality Agreement on terms reasonably acceptable to the Debtors, to the extent not already executed; and

(b) if requested, proof or other documentation acceptable to the Debtors, after consultation with the Consultation Parties (as defined below), of the Potential Bidder's financial capacity to close a proposed Transaction and provide adequate assurance of future performance under any executory contracts and unexpired leases to be assumed by the Debtors and assigned to such Potential Bidder pursuant to section 365 of the Bankruptcy Code, in connection with the Transaction.

The Debtors and their advisors will coordinate all reasonable requests from Potential Bidders for additional information and due diligence access; *provided* that the Debtors may decline to provide such information to Potential Bidders who, at such time and in the Debtors' business judgment, after consultation with the Consultation Parties, have not established, or who have raised doubt, that such Potential Bidder intends in good faith to, or has the capacity to, consummate the Transaction.

Each Potential Bidder shall comply with all reasonable requests for additional information and due diligence access by the Debtors, the official committee of unsecured creditors (the "Committee"), if any, or their respective advisors regarding such Potential Bidder and its contemplated Transaction.

Stalking Horse Bid

On July 24, 2020, the Debtors entered into the Stalking Horse Agreement with the Stalking Horse Bidder, pursuant to which, among other things: the Stalking Horse Bidder proposed to (a) purchase, acquire, and take assignment and delivery of, free and clear of all liens, claims encumbrances and other interests (except as provided in the Stalking Horse Agreement), the Assets, and certain executory contracts and unexpired leases and designation rights related thereto, and (b) assume the assumed liabilities (as defined in the Stalking Horse Agreement) (collectively the "Stalking Horse Agreement") on the terms set forth in the Stalking Horse Purchase Agreement, subject to higher or better bids.

Process for Additional Qualified Bids and Auction

The Debtors will solicit further Bids intended to obtain a higher or otherwise best Bid for the Transaction.

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A. Bid Deadline.

A Potential Bidder that desires to make a proposal, solicitation, or offer (each, a "Bid") shall transmit such proposal, solicitation, or offer via email (in .pdf or similar format) so as to be **actually received** on or before **August 10, 2020, at 11:59 p.m. (prevailing Central Time)** (the "Bid Deadline") to:

(i) Simmons, 609 Main Street, Suite 3800, Houston, Texas 77002, Attn: Sanjiv Shah (sanjiv.shah@simmonspsc.com); Tim McEuen (Tim.McEuen@simmonspsc.com); Steve Erzinger (Steve.Erzinger@simmonspsc.com), and Kirby Stockard (Kirby.Stockard@simmonspsc.com);

(ii) Kirkland & Ellis LLP, 601 Lexington Ave New York, New York 10022, Attn: Joshua A. Sussberg (joshua.sussberg@kirkland.com) and Christopher T. Greco (cgreco@kirkland.com), and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha Lawrence (samantha.lawrence@kirkland.com) and Josh M. Altman (josh.altman@kirkland.com); and

(iii) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn: Jason S. Brookner (jbrookner@grayreed.com), Paul D. Moak (pmoak@grayreed.com), and Amber M. Carson (acarson@grayreed.com).

B. Bid Requirements.

Each Bid by a Potential Bidder must be submitted in writing and satisfy the following requirements (collectively, the "Bid Requirements"):

(i) **Purpose**. Each Potential Bidder must state that the Bid is an offer to purchase certain of the Assets and state which assets with specificity.

(ii) **Purchase Price**. Each Bid must clearly set forth the terms of any proposed Transaction, including and identifying separately any cash and non-cash components of the proposed Transaction consideration (the "Purchase Price") and allocating the Purchase Price among the assets.

(iii) **Deposit**. Each Bid must be accompanied by a cash deposit in the amount equal to 10% of the aggregate value of the proposed Purchase Price of the Bid to be held in a separate account for the benefit of the Debtors (the "Deposit"); *provided, however*, that Secured Creditors shall not be required to fund a deposit with respect to any credit bid.

(iv) **Marked Agreement**. Each Bid must include a signed asset purchase agreement, together with all exhibits and schedules thereto, the form of which will be provided to any Potential Bidder before the Bid Deadline, along with a redline version of such agreement relative to the Stalking Horse Agreement, attached hereto as

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Exhibit B, pursuant to which the Qualified Bidder proposes to effectuate the Transaction (collectively, the "Transaction Documents").

(v) **Committed Financing**. To the extent that a Bid is not accompanied by evidence of the Potential Bidder's capacity to consummate the Transaction set forth in its Bid with cash on hand, each Bid must include committed financing documented to the Debtors' satisfaction after consultation with the Consultation Parties that demonstrates that the Potential Bidder has received sufficient debt and/or equity funding commitments to satisfy the Potential Bidder's Purchase Price and other obligations under its Bid. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals.

(vi) **Contingencies; No Financing or Diligence Outs**. A Potential Bidder's Bid cannot contain any financing, diligence or other contingencies of any nature not included in the Stalking Horse Agreement.

(vii) **Binding and Irrevocable**. An Acceptable Bidder's Bid must be irrevocable unless and until the Debtors accept a higher Bid and such Acceptable Bidder is not selected as the Backup Bidder (as defined below).

(viii) **Identity**. Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Potential Bidder if such Potential Bidder is an entity formed for the purpose of consummating the proposed Transaction contemplated by such Bid), and the complete terms of any such participation. Each Bid should also include contact information for the specific person(s), counsel, and other advisor whom Simmons and Kirkland & Ellis LLP should contact regarding such Bid.

(ix) **Adequate Assurance Information**. Each Bid must be accompanied by sufficient and adequate financial and other information to demonstrate, to the satisfaction of the Debtors, that such Potential Bidder (a) has the financial wherewithal and ability to consummate the Transaction designated in the applicable purchase agreement, and (b) can provide adequate assurance of future performance in connection the Transaction.

(x) **Authorization**. Each Bid must contain evidence acceptable to the Debtors that the Potential Bidder has obtained authorization or approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid, execution, and delivery of the Transaction Documents, and the consummation of the Transaction contemplated in such Bid.

(xi) **No Fees**. Each Potential Bidder presenting a Bid or Bids will bear its own costs and expenses (including legal fees) in connection with the proposed Transaction, and by submitting its Bid is agreeing to refrain from and waive any assertion or

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request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.

(xii) **Time Frame for Closing**. A Bid by a Potential Bidder must be reasonably likely (based on antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors.

(xiii) **Adherence to Bidding Procedures**. By submitting its Bid, each Potential Bidder is agreeing to abide by and honor the terms of these Bidding Procedures and agrees not to submit a Bid or seek to reopen the Auction after conclusion of the Auction.

C. Minimum Value.

The Bid must provide for a (i) a cash Purchase Price equal to: (a) the Purchase Price set forth in the Stalking Horse Bid; plus (b) $250,000 (the "Minimum Value"); *provided, however*, that Potential Bidders may submit a Bid for less than all of the Assets provided that the proposed Purchase Price for such assets exceeds the allocable value for such Assets in the Stalking Horse Bid by at least $100,000; and provided, further, that in the event of a credit bid by a Secured Creditor with respect to such Secured Creditors' collateral, the Purchase Price for the assets subject to such credit bid may be by credit against its secured claims.

D. Designation of Qualified Bidders.

A Bid will be considered a "Qualified Bid," and each Potential Bidder that submits a Qualified Bid will be considered a "Qualified Bidder," if the Debtors, after consultation with the Consultation Parties, determine that such Bid:

(i) satisfies the Bid Requirements set forth above;

(ii) provides a Purchase Price that exceeds the Minimum Value; and

(iii) is reasonably likely (based on availability of financing, antitrust, or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid (as defined below), within a time frame acceptable to the Debtors and the Committee.

The Debtors will notify each Qualified Bidder and the Stalking Horse Bidder whether such party is a Qualified Bidder and shall provide the Notice Parties a copy of each Qualified Bid by the Notice of Qualified Bidders Deadline. At such time, the Debtors shall also distribute copies of the Qualified Bids to the Stalking Horse Bidder and each Qualified Bidder.

If any Bid is determined by the Debtors not to be a Qualified Bid, the Potential Bidder shall be notified by the Debtors, and shall have until **the start of the Auction** to modify its Bid to increase the Purchase Price or otherwise improve the terms of the Bid for the Debtors; *provided* that any Qualified Bid may be improved at the Auction as set forth herein.

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Between the date the Debtors notify a Potential Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the prior written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their Purchase Price, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified in these Bidding Procedures; and *in addition*, any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

Notwithstanding anything herein to the contrary, the Debtors reserve the right to work with (a) Potential Bidders and Potential Bidders to aggregate two or more Bids into a single consolidated Bid or (b) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction. The Debtors reserve the right to cooperate with any Potential Bidder to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtors may accept a single Qualified Bid or multiple Bids that, if taken together in the aggregate, would otherwise meet the standards for a single Qualified Bid (in which event those multiple bidders shall be treated as a single Qualified Bidder for purposes of the Auction).

The Stalking Horse Bidder shall be deemed to be a Qualified Bidder, the Stalking Horse Bid shall be deemed a Qualified Bid, and the Stalking Horse Bidder may participate in the Auction with respect to the Assets.

E. Right to Credit Bid.

Any Qualified Bidder who has a valid and perfected lien on any assets of the Debtors' estates (a "Secured Creditor") shall have the right to credit bid all or a portion of the value of such Secured Creditor's claims within the meaning of section 363(k) of the Bankruptcy Code; provided that a Secured Creditor shall have the right to credit bid its claim only with respect to the collateral by which such Secured Creditor is secured; and provided, further, that no Secured Creditor shall be required to submit a cash bid for any of the Assets that do not constitute collateral by which such Secured Creditor is secured as a condition to such Secured Creditor exercising its right to credit bid for its collateral.

Furthermore, notwithstanding anything to the contrary set forth in these Bidding Procedures, the Prepetition Equipment Term Loan Agent shall: (i) have the right to credit bid all or a portion of its prepetition secured claims up to a maximum amount of $190,000,000, without prejudice to the actual allowable amount of such claims; and (ii) be deemed to be a Qualified Bidder and shall not be required to provide any cash deposit, asset purchase agreement, due diligence materials, or any other materials as a condition to its participation at the Auction, and may participate in the Auction with respect to the Assets.

F. No Qualified Bids.

If the Debtors have received no Qualified Bids other than a Stalking Horse Bid as of the

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Bid Deadline, then the Auction will not occur and the Stalking Horse Bidder will be deemed the Winning Bid (as defined below). The Debtors reserve all rights to extend the Bid Deadline to such later date that the Debtors believe is necessary, in their sole discretion, to obtain additional Qualified Bids.

G. The Auction.

If the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Bid, the Debtors will conduct the Auction to determine the Winning Bidder with respect to the Transaction.

Prior to the Auction, the Debtors and their advisors will notify all Qualified Bidders and the Stalking Horse Bidder of the highest or otherwise best Qualified Bid, as determined in the Debtors' business judgment (the "Baseline Bid"), and provide copies of the documents supporting the Baseline Bid to all Qualified Bidders, the Stalking Horse Bidder, the Committee, if any, and the Notice Parties. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Winning Bid shall take into account any factors the Debtors, after consultation with the Consultation Parties, reasonably deem relevant to the value of the Qualified Bid to the Debtors' estates, including, among other things: (a) the number, type, and nature of any changes to the Stalking Horse Agreement requested by the Qualified Bidder; (b) the amount and nature of the total consideration; (c) the likelihood of the Qualified Bidder's ability to close the Transaction and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtors' estates from the Transaction contemplated by the Baseline Bid; (e) the tax consequences of such Qualified Bid; and (f) impact to vendors, landlords, and employees (collectively, the "Bid Assessment Criteria"). Notwithstanding the foregoing, nothing contained in these Bidding Procedures (including, without limitation, the Bid Assessment Criteria) shall be used to modify or negate a Secured Creditor's right to credit bid, or to condition such right on the sale of assets that do not constitute such Secured Creditor's collateral.

The Auction shall take place at **a time to be determined no later than August 12, 2020**, by remote video as will be indicated in the Auction Notice, or such later date and time or location as selected by the Debtors after consultation with the Consultation Parties. The Auction shall be conducted in a timely fashion according to the following procedures:

(i) The Debtors and their professionals shall direct and preside over the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid. All incremental Bids made thereafter shall be Overbids (as defined below) and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction, which shall be available to all Qualified Bidders.

(ii) Only Qualified Bidders (including the Stalking Horse Bidder), the Debtors, the Consultation Parties, and each of their respective legal and financial advisors, and any other parties specifically invited or permitted to attend by the Debtors, shall be

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entitled to attend the Auction, and the Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives. Except as otherwise permitted by the Debtors, only Qualified Bidders shall be entitled to bid at the Auction.

(iii) **Terms of Overbids**. "Overbid" means any Bid made at the Auction by a Qualified Bidder subsequent to the Debtors' announcement of the Baseline Bid, including any by the Stalking Horse Bidder. Each Overbid must comply with the following conditions:

(a) Minimum Overbid Increment. Any Overbid following the Baseline Bid or following any subsequent Prevailing Highest Bid (as defined below) shall be in increments of $250,000, unless otherwise determined by the Debtors in an exercise of their business judgment (the "Overbid Increment").

(b) Conclusion of Each Overbid Round. Upon the solicitation of each round of Overbids, the Debtors may announce a deadline (as the Debtors may, in their business judgment, extend from time to time, the "Overbid Round Deadline") by which time any Overbids must be submitted to the Debtors.

(c) Overbid Alterations. An Overbid may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable in the aggregate to the Debtors' estates than any prior Qualified Bid or Overbid, as determined in the Debtors' business judgment after consultation with the Consultation Parties, but shall otherwise comply with the terms of these Bidding Procedures.

(d) Announcing Highest Bid. Subsequent to each Overbid Round Deadline, the Debtors shall announce whether the Debtors have identified an Overbid as being higher or otherwise better than the Baseline Bid, in the initial Overbid Round, or, in subsequent rounds, the Overbid previously designated by the Debtors as the prevailing highest or otherwise best Bid (the "Prevailing Highest Bid"). The Debtors shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtors as the Prevailing Highest Bid, as well as the value attributable by the Debtors to such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria. For the avoidance of doubt, the Prevailing Highest Bid may be multiple Qualified Bids if, in the Debtors business judgment, such bids, taken together, are the highest or otherwise best Bid.

(iv) **Consideration of Overbids**. The Debtors reserve the right, in their business judgment, after consultation with the Consultation Parties, to adjourn the Auction one or more times, to, among other things (i) facilitate discussions between the Debtors and Potential Bidders, (ii) allow Qualified Bidders to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtors with such additional evidence as the Debtors, in their business judgment,

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may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed Transaction at the prevailing Overbid amount.

(v) **Closing the Auction**. The Auction shall continue until there is only one Qualified Bid that the Debtors determine, in their business judgment, after consultation with the Consultation Parties, to be the highest or otherwise best Qualified Bid. Such Qualified Bid shall be declared the winning bid (the "Winning Bid") and such Qualified Bidder, the winning bidder (the "Winning Bidder"), at which point the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid. Such acceptance by the Debtors of the Winning Bid is conditioned upon approval by the Court of the Winning Bid. For the avoidance of doubt, nothing in these Bidding Procedures shall prevent the Debtors from exercising their respective fiduciary duties under applicable law. As soon as reasonably practicable after closing the Auction, the Debtors shall finalize definitive documentation to implement the terms of the Winning Bid, and, as applicable, cause such definitive documentation to be filed with the Court.

(vi) **No Collusion; Good-Faith *Bona Fide* Offer**. Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (i) it has not engaged in any collusion with respect to the bidding and (ii) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Transaction if selected as the Winning Bidder.

H. Backup Bidder.

(i) Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted, the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid at the Auction, as determined by the Debtors in the exercise of their business judgment, after consultation with the Consultation Parties, shall be required to serve as a backup bidder (the "Backup Bidder") until such time that the Transaction is consummated upon entry of an order approving the Sale under section 363 of the Bankruptcy Code, and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated by the Debtors.

(ii) The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtors, at the conclusion of the Auction at the same time the Debtors announce the identity of the Winning Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until such time that the Transaction is consummated upon entry of an order approving the Transaction under section 363 of the Bankruptcy Code. The Backup Bidder's Deposit shall be held in a separate account pending approval of the Transaction by court order.

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(iii) If the Winning Bidder fails to consummate the approved Transaction contemplated by its Winning Bid, the Debtors may select the Backup Bidder as the Winning Bidder, and such Backup Bidder shall be deemed a Winning Bidder for all purposes. The Debtors will be authorized, but not required, to consummate the Transaction contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Winning Bidder's Deposit shall be forfeited to the Debtors' estates, and the Debtors, on behalf of themselves and their estates, specifically reserve the right to seek all available remedies against the defaulting Winning Bidder, including, but not limited to, specific performance.

I. Notice and Consultation Parties.

Information must be provided to the following under these Bidding Procedures (the "Notice Parties"): (a) counsel to JPMorgan Chase Bank, N.A., in its capacity as agent under the Debtors' prepetition ABL credit agreement (the "Prepetition ABL Agent"), (b) counsel to GACP Finance Co., LLC, in its capacity as agent under the Debtors' prepetition equipment term loan (the "Prepetition Equipment Term Loan Agent"), (c) counsel to CLMG Corp., in its capacity as agent under the Debtors' prepetition real estate term loan (the "Prepetition Real Estate Term Loan Agent" and together with the Prepetition ABL Agent and Prepetition Term Loan Agent, the "Agents"), (d) counsel to the Committee, and (e) the United States Trustee for the Southern District of Texas.

The term "Consultation Parties" as used in these Bidding Procedures shall mean: (a) counsel to Prepetition ABL Agent, (b) counsel to Prepetition Equipment Term Loan Agent, and (c) counsel to any Committee, if any. To the extent that any party that would otherwise be a Consultation Party has not fully and irrevocably waived its right to submit a Bid, it shall not be a Consultation Party.

J. "As Is, Where Is."

Consummation of any Transaction will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtors or their estates, except as specifically accepted or agreed to by the Debtors. Except as specifically accepted or agreed to by the Debtors, all of the Debtors' right, title, and interest in and to the Assets will be transferred to the Winning Bidder pursuant to section 363(b) of the Bankruptcy Code.

By submitting a Bid, each Potential Bidder will be deemed to acknowledge and represent that it (i) has had an opportunity to conduct adequate due diligence regarding the Transaction prior to making its Bid, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Transaction or the completeness of any information provided in connection therewith or the Auction, except the representations and warranties as expressly stated in the Potential Bidder's Transaction Documents; and (iv) the Potential Bidder did not engage in any collusive conduct and acted in good faith in submitting its Bid.

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K. Reservation of Rights.

The Debtors reserve their rights to modify these Bidding Procedures in their business judgment, in consultation with the Consultation Parties, in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on the Transaction, including: (a) extending the bid deadline set forth in these Bidding Procedures; (b) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) canceling the Auction; and (e) rejecting any or all Bids or Qualified Bids; *provided, however*, that the Debtors may not modify any Secured Creditor's credit bid rights without such Secured Creditor's prior written consent or by Order of the Court. Nothing in these Bidding Procedures shall abrogate the fiduciary duties of the Debtors. Notwithstanding anything to the contrary herein, the Debtors, in consultation with the Consultation Parties, may elect to consummate the Transaction through a chapter 11 plan as opposed to under section 363(b) of the Bankruptcy Code.

L. Consent to Jurisdiction.

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of these Bidding Procedures.

M. Approval of Winning Bid Hearing.

A hearing to consider the Transaction under section 363 of the Bankruptcy Code (the "Sale Hearing") pursuant to which the Debtors and the Winning Bidder intend to consummate the Transaction contemplated by the Winning Bid will be held **no later than August 14, 2020** and otherwise in accordance with any scheduling order entered by the Court.

The Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Hearing. No further notice of any such continuance will be required to be provided to any party.

N. Return of Deposit.

The Deposit of the Winning Bidder shall be applied to the Purchase Price of such Transaction at closing. The Deposits for each Qualified Bidder shall be held in one or more separate accounts on terms acceptable to the Debtors and shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) on the date that is three business days after the Auction.

If a Winning Bidder fails to consummate a proposed Transaction because of a breach by such Winning Bidder, the Debtors will not have any obligation to return the Deposit deposited by such Winning Bidder, which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtors and their estates, and the Debtors shall be free to consummate the proposed Transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

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O. No Modification of Bidding Procedures.

These Bidding Procedures may not be modified except in accordance with Section K of these Bidding Procedures.

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EXHIBIT 3

Auction Notice

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF SALE BY AUCTION AND SALE HEARING

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the "Debtors")[2] each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Texas (the "Court") on July 20, 2020

PLEASE TAKE NOTICE that on July 24, 2020, the above-captioned debtors and debtors in possession (the "Debtors") filed the *Debtors' Emergency Motion for Entry of an Order (I) Approving the Bidding Procedures With Respect to Certain of the Debtors' Fracking Equipment and Intellectual Property, (II) Scheduling an Auction and a Sale Hearing, (III) Approving the Form and Manner of Notices Related Thereto, (V) Approving Contract Assumption and Assignment Procedures, and (VI) Granting Related Relief* [Docket No. [●]] (the "Bidding Procedures Motion") with the United States Bankruptcy Court for the Southern District of Texas (the "Court") seeking, among other things, entry of an order (the "Bidding Procedures Order"): (a) authorizing the Debtors to enter into that certain asset purchase agreement (the "Stalking Horse Agreement") between BJ Services, LLC and BJ Services Holdings Canada, ULC and TES Asset Acquistions, LLC (the "Stalking Horse Bidder"); (b) authorizing and approving the bidding procedures for the sale (the "Sale" or "Transaction") of the Debtors' right, title, and interest in and to certain vendor contracts and intellectual property related to the Debtors' next-generation fracturing pump platform referred to as TITAN™ (the "Titan Assets"), certain of the Debtors' other intellectual property assets (including the "BJ Services" name) (the "Intellectual Property"), and certain machinery and equipment (the "M&E Assets," and together with the Intellectual Property and Titan Assets, the "Assets"); (c) establishing certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any; (d) approving the form and manner of notice of the Auction, if any, and the Sale Hearing; (e) approving the procedures for the assumption and assignment (the "Assumption and Assignment Procedures") of certain executory contracts and unexpired leases (the "Contracts") and related cure amounts; and (f) granting related relief. Please note that all capitalized terms used but not defined herein shall have the meanings set forth in the Bidding

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not yet defined herein have the meanings ascribed to such terms in Bidding Procedures Motion.

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Procedures Motion.

PLEASE TAKE FURTHER NOTICE that the Debtors are soliciting offers for the purchase of the Assets of the Debtors consistent with the Bidding Procedures approved by the Court by entry of an order on July [●], 2020 [Docket No. [●]] (the "Bidding Procedures Order"). **All interested bidders should carefully read the Bidding Procedures and Bidding Procedures Order.** To the extent that there are any inconsistencies between this notice and the Bidding Procedures or Bidding Procedures Order, the Bidding Procedures or Bidding Procedures Order, as applicable, shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that the Debtors will seek approval of the Sale at a hearing scheduled to commence **no later than August 14, 2020** (the "Sale Hearing") before the Honorable Marvin Isgur, United States Bankruptcy Judge for the Bankruptcy Court for the Southern District of Texas, at 515 Rusk Avenue, 4th Floor, Courtroom No. 404, Houston, Texas 77002.

PLEASE TAKE FURTHER NOTICE that, except as otherwise set forth in the Bidding Procedures Order with respect to any objections to proposed cure amounts or the assumption and assignment of Contracts and/or objections to the relief requested in the Bidding Procedures Motion ***must***: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be ***actually received*** **on or before the Sale Hearing** by the following parties (the "Notice Parties"):

Counsel to the Debtors	**Co-Counsel to the Debtors**
Kirkland & Ellis LLP 601 Lexington Avenue New York, New York 10022 Attn: Joshua Sussberg and Christopher T. Greco Email: joshua.sussberg@kirkland.com cgreco@kirkland.com - and - Kirkland & Ellis LLP 300 North LaSalle Chicago Illinois 60654 Attn: Samantha G. Lawrence and Josh Altman Email: samantha.lawrence@kirkland.com josh.altman@kirkland.com	Gray Reed & McGraw LLP 1300 Post Oak Boulevard, Suite 2000 Houston, Texas 77056 Attn: Jason S. Brookner, Paul D. Moak, and Amber M. Carson Email: jbrookner@grayreed.com pmoak@grayreed.com acarson@grayreed.com
Proposed Counsel to the Committee	**The United States Trustee**
	Office of the United States Trustee Southern District of Texas 15 Rusk Street, Suite 3516 Houston, Texas 77002 Attn: Hector Dura and Stephen Statham Email: hector.duran.jr.@usdoj.gov stephen.statham@usdoj.gov

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Counsel to the Prepetition ABL Agent	Counsel to the Prepetition Equipment Term Loan Agent
Sidley Austin LLP One South Dearborn Chicago, Illinois 60603 Attn: Dennis Twomey, Herschel Hamner, and Alyssa Russell Email: dtwomey@sidley.com hhamner@sidley.com alyssa.russell@sidley.com	Choate, Hall & Stewart LLP 2 International Place Boston, Massachusetts 02110 Attn: John Ventola Email: jventola@choate.com - and - DLA Piper LLP 1201 North Market Street, Suite 2100 Wilmington, Delaware 19801 Attn: Stuart Brown Email: stuart.brown@dlapiper.com
Counsel to the Real Estate Term Loan Lenders	
Sheppard, Mullin, Richter & Hampton LLP 70 West Madison Street, 48th Floor Chicago, Illinois 60602 Attn: Justin Bernbrock Email: jbernbrock@sheppardmullin.com	

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS SET FORTH IN THE APPLICABLE PURCHASE AGREEMENT.

Important Dates and Deadlines

Date	Event
Bid Deadline	August 10, 2020, at 11:59 p.m. (prevailing Central Time)
Notice of Qualified Bidders Deadline	August 11, 2020, at 7:00 p.m. (prevailing Central Time)
Auction (if applicable)	August 12, 2020, at a time to be determined
File Notice of Winning Bidder	As soon as reasonably practicable after the conclusion of the Auction
Objection Deadline	August 13, 2020, at 4:00 p.m. (prevailing

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Sale Hearing	August 14, 2020, at 1:30 p.m. (prevailing Central Times)

NO SUCCESSOR OR TRANSFEREE LIABILITY

The Stalking Horse APA and proposed Sale Order provide that the Stalking Horse Bidder and/or Successful Bidder, if applicable, will have no responsibility for, and the Assets will be sold free and clear of, any successor liability, including the following: (a) any liability or other obligation of the Debtors' estates or related to the Assets other than as expressly set forth in the applicable Purchase Agreement; or (b) any claims against the Debtors, their estates, or any of their predecessors or affiliates. Except as expressly provided in the Sale Order or the applicable Purchase Agreement, the Stalking Horse Bidder or Successful Bidder shall have no liability whatsoever with respect to the Debtors' estates' (or their predecessors' or affiliates') respective businesses or operations or any of the Debtors' estates' (or their predecessors' or affiliates') obligations (as described below, "Successor or Transferee Liability") based, in whole or part, directly or indirectly, on any theory of successor or vicarious liabilities of any kind or character, including, but not limited to, any theory of antitrust, environmental, successor or transferee liability, labor law, *de facto* merger, or substantial continuity, whether known or unknown as of the Closing Date (as defined in the applicable Purchase Agreement), now existing or hereafter arising, whether asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtors or any obligations of the Debtors arising prior to the closing of the Sale, including, but not limited to, liabilities on account of any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of any of the Assets prior to the closing of the Sale.

PLEASE TAKE FURTHER NOTICE that copies of the Bidding Procedures Motion, Bidding Procedures, and Bidding Procedures Order, as well as all related exhibits, including the Stalking Horse Purchase Agreement, are available: (a) free of charge upon request to Donlin, Recano & Company Inc. (the notice and claims agent in these chapter 11 cases), by visiting the website maintained in these chapter 11 cases at www.donlinrecano.com/bjs, or (c) for a fee via PACER by visiting https://www.txs.uscourts.gov/.

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PLEASE TAKE FURTHER NOTICE that you may obtain additional information concerning the above-captioned chapter 11 cases at the website maintained in these chapter 11 cases at www.donlinrecano.com/bjs.

Houston, Texas
July 24, 2020

/s/ Paul D. Moak

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Proposed Co-Counsel to the Debtors
and Debtors in Possession

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EXHIBIT 4

Assumption and Assignment Notice

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the "Debtors")[2] each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Texas (the "Court") on July 20, 2020.

PLEASE TAKE FURTHER NOTICE that on [●], 2020, the Court entered an order [Docket No. [●]] (the "Bidding Procedures Order") approving, among other things, (a) authorizing and approving the bidding procedures (the "Bidding Procedures") for the sale of the Debtors' right, title, and interest in and to certain vendor contracts and intellectual property related to the Debtors' next-generation fracturing pump platform referred to as TITAN™ (the "Titan Assets"), certain of the Debtors' other intellectual property assets (including the "BJ Services" name) (the "Intellectual Property"), and certain machinery and equipment (the "M&E Assets," and together with the Intellectual Property and Titan Assets, the "Assets"); (b) establishing certain dates and deadlines, including the Bid Deadline and the date of the Auction, if any, (c) approving the form and manner of notice of the Auction, if any, and the Winning Bidder, (d) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases and the resolution of related cure amounts (the "Assumption and Assignment Procedures"), and (e) granting related relief.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Assumption and Assignment Procedures and by this written notice, the Debtors hereby notify you that they have determined, in the exercise of their business judgment, that the Contracts and any modifications thereto set forth on **Exhibit I** attached hereto (collectively, the "Assumed Contracts") shall be assumed and

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used but not yet defined herein have the meanings ascribed to such terms later in Bidding Procedures or in the First Day Declaration, as applicable.

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assigned to the Assignee, subject to the Assignee's payment of the cure amounts set forth on **Exhibit I**, or such other cure amounts that are agreed to by the parties.

PLEASE TAKE FURTHER NOTICE that nothing herein (i) alters in any way the prepetition nature of the Assumed Contracts or the validity, priority, or amount of any claims of a counterparty to any Assumed Contract against the Debtors that may arise under such Assumed Contract, (ii) creates a postpetition contract or agreement, or (iii) elevates to administrative expense priority any claims of a counterparty to any Assumed Contract against the Debtors that may arise under such Assumed Contract.

PLEASE TAKE FURTHER NOTICE that the inclusion of an Assumed Contract on the Notice of Assumption and Assignment will not: (a) obligate the Debtors to assume any Assumed Contract listed thereon or the Winning Bidder to take assignment of such Assumed Contract; or (b) constitute any admission or agreement of the Debtors that such Assumed Contract is an executory contract. Only those Assumed Contracts that are included on a schedule of assumed and acquired contracts attached to a final asset purchase agreement with a Winning Bidder (including amendments or modifications to such schedules in accordance with such asset purchase agreement) will be assumed and assigned to the applicable Winning Bidder. No Assumed Contract shall be assumed absent closing on the assignment thereof to the applicable Winning Bidder.

PLEASE TAKE FURTHER NOTICE that any Contract assumed pursuant to section 363(f) of the Bankruptcy Code shall: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights) and (ii) any and all claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guarantees of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, claims, and encumbrances that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s) (but only in connection with the assignment by the Debtor to the Assignee)), and (b) constitutes a legal, valid, and effective transfer of such Contract(s) and vests the applicable Assignee with all rights, titles, and interests to the applicable Contract(s). For the avoidance of doubt, all provisions of the applicable Assumed Contract, including any provision limiting future assignment, shall be binding on the applicable Assignee after consummation of the assignment of such Contract by the Debtors to the Assignee.

Obtaining Additional Information

Copies of the Bidding Procedures Order, the Bidding Procedures, the Plan, and all pleadings filed in these chapter 11 cases are available upon request to Donlin, Recano & Company, Inc., the Debtors' notice and claims agent, by calling (877) 274-7653 (Domestic) or (212) 771-1128 (International), or by visiting the case website at http://www.donlinrecano.com/bjs.

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Important Dates and Deadlines

1. Parties objecting to a proposed assumption and assignment and/or to a Winning Bidder's proposed form of adequate assurance of future performance must file a written objection (each, an "Assumption Objection") so that such Assumption Objection is filed with the Court and **actually received two (two) days prior to the Sale Hearing and served on the Notice Parties.**

2. A hearing to consider approval of the proposed Sale will be held no later than **August 14, 2020,** or such other date as determined by the Court.

Filing Assumption and Assignment Objections

Pursuant to the Assumption and Assignment Procedures, if no objection to the assumption of any Contract is timely filed, each Contract shall be assumed as of the Assumption Date set forth in the applicable Assumption and Assignment Procedures or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree, and the proposed cure amount shall be binding on all counterparties to such Contract and no amount in excess thereof shall be paid for cure purposes; provided, however, that the Assumption Date for a lease of nonresidential real property shall not occur earlier than the date the Debtors filed and served the applicable Assumption and Assignment Notice.

Any objections will be considered at the Sale Hearing, or as soon thereafter as counsel may be heard, and must be served on the following parties:

Counsel to the Debtors	Co-Counsel to the Debtors
Kirkland & Ellis LLP 601 Lexington Avenue New York, New York 10022 Attn: Joshua Sussberg and Christopher T. Greco Email: joshua.sussberg@kirkland.com cgreco@kirkland.com - and - Kirkland & Ellis LLP 300 North LaSalle Chicago Illinois 60654 Attn: Samantha G. Lawrence and Josh Altman Email: samantha.lawrence@kirkland.com josh.altman@kirkland.com	Gray Reed & McGraw LLP 1300 Post Oak Boulevard, Suite 2000 Houston, Texas 77056 Attn: Jason S. Brookner, Paul D. Moak, and Amber M. Carson Email: jbrookner@grayreed.com pmoak@grayreed.com acarson@grayreed.com
Proposed Counsel to the Committee	**The United States Trustee**

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	Office of the United States Trustee Southern District of Texas 15 Rusk Street, Suite 3516 Houston, Texas 77002 Attn: Hector Dura and Stephen Statham Email: hector.duran.jr.@usdoj.gov stephen.statham@usdoj.gov
Counsel to the Prepetition ABL Agent	**Counsel to the Prepetition Equipment Term Loan Agent**
Sidley Austin LLP One South Dearborn Chicago, Illinois 60603 Attn: Dennis Twomey, Herschel Hamner, and Alyssa Russell Email: dtwomey@sidley.com hhamner@sidley.com alyssa.russell@sidley.com	Choate, Hall & Stewart LLP 2 International Place Boston, Massachusetts 02110 Attn: John Ventola Email: jventola@choate.com - and - DLA Piper LLP 1201 North Market Street, Suite 2100 Wilmington, Delaware 19801 Attn: Stuart Brown Email: stuart.brown@dlapiper.com
Counsel to the Real Estate Term Loan Lenders	
Sheppard, Mullin, Richter & Hampton LLP 70 West Madison Street, 48th Floor Chicago, Illinois 60602 Attn: Justin Bernbrock Email: jbernbrock@sheppardmullin.com	

Consequences of Failing to Timely File and Serve an Objection

Any counterparty to an Assumed Contract who fails to timely file and serve an objection to the proposed assumption and assignment of an Assumed Contract in accordance with the Bidding Procedures Order and Assumption and Assignment Procedures incorporated therein shall be forever barred from asserting any objection to the assumption and assignment of the Assumed Contract and/or the cure payment set forth on Exhibit I, including asserting additional cure amounts with respect to an Assumed Contract relating to any period prior to the time of assumption and assignment.

[*Remainder of page left intentionally blank*]

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Houston, Texas
July [●], 2020

/s/

GRAY REED & McGRAW LLP
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-and-

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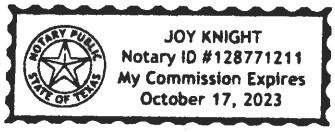
Proposed Co-Counsel to the Debtors and Debtors in Possession

EXHIBIT 18

THIS IS **EXHIBIT "18"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	(Emergency Hearing Requested)

DEBTORS' EMERGENCY MOTION FOR ENTRY OF AN ORDER (I) APPROVING PROCEDURES TO REJECT OR ASSUME EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (II) GRANTING RELATED RELIEF

EMERGENCY RELIEF HAS BEEN REQUESTED. A HEARING WILL BE CONDUCTED ON THIS MATTER ON JULY 21, 2020, AT 4:00 PM (CENTRAL TIME) IN COURTROOM 404, 4TH FLOOR, 515 RUSK STREET, HOUSTON, TEXAS 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 21, 2020.

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 ISGUR'S CONFERENCE ROOM NUMBER IS 954554.

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 APPLICATION.

ONCE CONNECTED TO WWW.JOIN.ME, A PARTICIPANT MUST SELECT "JOIN A MEETING". THE CODE FOR JOINING THIS HEARING BEFORE JUDGE ISGUR IS "JUDGEISGUR". 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] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

1) GOING TO THE SOUTHERN DISTRICT OF TEXAS WEBSITE;

2) SELECTING "BANKRUPTCY COURT" FROM THE TOP MENU;

3) SELECTING JUDGES' PROCEDURES AND SCHEDULES;

4) SELECTING "VIEW HOME PAGE" FOR JUDGE ISGUR;

5) UNDER "ELECTRONIC APPEARANCE" SELECT "CLICK HERE TO SUBMIT ELECTRONIC APPEARANCE;"

6) SELECT BJ SERVICES, LLC, ET AL. FROM THE LIST OF ELECTRONIC APPEARANCE LINKS; AND

7) AFTER SELECTING BJ SERVICES, LLC, 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")[2] respectfully state the following in support of this motion (this "Motion"):[3]

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto, (a) approving streamlined procedures for the assumption or rejection of executory contracts and unexpired leases, and (b) granting related relief. The Debtors also request authority, but not direction, to remove or abandon personal property of the Debtors, including, without limitation, equipment, fixtures, furniture, and other personal property that may be located on, or have been installed in, leased premises that are subject to a rejected Contract after the effective date of any proposed rejection.

---

2 A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this Motion and the Debtors' chapter 11 cases, are set forth in the *Declaration of Warren Zemlak, Chief Executive Officer of BJ Services, LLC, in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), filed contemporaneously herewith and incorporated herein by reference.

3 Capitalized terms used but not yet defined herein have the meanings ascribed to such terms later in this Motion or in the First Day Declaration, as applicable.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a), 363, 365, and 554 title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), Bankruptcy Rules 6006, 9006, and 9014, and rules 1075-1 and 9013-1 of the Local Bankruptcy Rules for the Southern District of Texas (the "Bankruptcy Local Rules").

Background

5. BJ Services, LLC and its Debtor affiliates are leading providers of pressure pumping and oilfield services for the petroleum industry. Headquartered in Tomball, Texas, the Debtors operate through two segments, hydraulic fracturing and cementing. The Debtors primarily serve customers in upstream North American oil and natural gas shale basins in the completion of new wells and in remedial work on existing wells.

6. On July 20, 2020 (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

Executory Contracts and Unexpired Leases

7. The Debtors are party to numerous executory contracts and unexpired leases (each a "Contract," and collectively, the "Contracts"), which include agreements with vendors and leases for personal and real property (with respect to real property, the "Leases"). As part of the Debtors' efforts to maximize value for their creditors and other stakeholders, the Debtors are working to eliminate administrative burdens on their estates as they wind down their business. The Debtors have therefore begun the process of evaluating all of their Contracts to determine whether any such Contracts should be rejected.

8. The rejection procedures (the "Rejection Procedures") and the assumption procedures (the "Assumption Procedures," and, together with the Rejection Procedures, the "Contract Procedures") detailed below will streamline the Debtors' ability to assume and reject burdensome Contracts that do not confer any benefit to the Debtors' estates, while also providing parties in interest with adequate notice of the assumption or rejection of a Contract and an opportunity to object to such relief within a reasonable period of time. Absent the relief requested herein, the Debtors would be required to file multiple motions to reject, assume, or assume and assign each Contract, which would result in substantial costs to, and impose administrative burdens on, the Debtors' estates, in addition to the burden such approach would place on the Court's docket and calendar. The proposed Contract Procedures are appropriate and necessary to limit the costs and administrative burdens to the Debtors' estates. The Debtors request the Court approve the Contract Procedures as detailed below and authorize the Debtors to take any and all actions as may be necessary for its implementation.

Proposed Rejection Procedures

9. The Debtors request that the following Rejection Procedures be authorized and approved in connection with the rejection of any Contract during these chapter 11 cases:

a. ***Rejection Notice***. The Debtors shall file one or more notices in the form attached to the proposed order as Exhibit A (each, a "Rejection Notice") to reject a Contract or Contracts pursuant to section 365 of the Bankruptcy Code, which Rejection Notice(s) shall set forth, among other things, with respect to each Contract listed on the Rejection Notice: (i) the Contract to be rejected; (ii) the Debtor or Debtors party to such Contract; (iii) the names and addresses of the counterparties to such Contract; (iv) the proposed effective date of the rejection for such Contract (the "Rejection Date"); and (v) if such Contract is a Lease, the personal property to be abandoned, if any. The Rejection Notice shall also set forth the deadlines and procedures for filing objections to the Rejection Notice (as set forth below). Each Rejection Notice may list multiple Contracts.

b. ***Service of Rejection Notice***. The Debtors will cause the Rejection Notice and Rejection Schedule to be served by electronic mail upon: (i) each Rejection Counterparty; (ii) the United States Trustee for the Southern District of Texas (the "U.S. Trustee"); (iii) counsel to any statutory committee appointed; (iv) counsel to the Prepetition ABL Lenders, as administrative agent under the Debtors' prepetition credit agreement; (v) with respect to real property Leases, any known third party having an interest in personal property located at the leased premises; and (vi) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Rejection Notice Parties").

c. ***Objection Procedures***. Parties objecting to a proposed rejection must file and serve a written objection so that such objection is filed with the Court on the docket of the Debtors' chapter 11 cases and actually received by the following parties (collectively, the "Objection Service Parties") no later than fourteen (14) days after the date the Debtors serve the relevant Rejection Notice (the "Rejection Objection Deadline"): (i) the Debtors, 11211 Farm to Market 2920 Road, Tomball, Texas 77375, Attn: John Bakht (generalcounsel@bjservices.com); (ii) proposed counsel to the Debtors, (A) Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha G. Lawrence (samantha.lawrence@kirkland.com) and Joshua M. Altman (josh.altman@kirkland.com), and (B) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn.: Paul D. Moak (pmoak@grayreed.com) and Amber M. Carson (acarson@grayreed.com); (iii) the Office of The United States Trustee, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn.: Hector Duran (hector.duran.jr.@usdoj.gov) and Stephen Statham (stephen.statham@usdoj.gov); (iv) counsel to the Prepetition ABL Lenders, Sidley Austin LLP, One South Dearborn, Chicago, Illinois 60603, Attn: Dennis Twomey (dtwomey@sidley.com), Herschel Hamner (hhamner@sidley.com), and Alyssa Russell (alyssa.russell@sidley.com); and (v) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases.

d. ***No Objection***. If no objection to the rejection of any Contract is timely filed, each Contract listed in the applicable Rejection Notice shall be rejected as of the Rejection Date set forth in the Rejection Notice or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree; *provided* that the effective date of a rejection of a real property lease shall not occur until the later of (i) the date the Debtors file and serve a Rejection Notice for the lease, and (ii) the date the Debtors relinquish control of the premises by notifying the affected landlord in writing of the Debtors' surrender of the premises and turn over keys, key codes, and securities codes, if any, to the affected landlord.

e. ***Unresolved Objections***. If one or more objections to the rejection of any Contract(s) listed in the applicable Rejection Notice is timely filed and properly served as specified above and not withdrawn or resolved, the Debtors shall file a notice for a hearing to consider the rejection of the Contract(s) implicated by such objection(s) and shall provide at least ten (10) days' notice of such hearing to each objecting party and the Objection Service Parties. If any such objection is overruled or withdrawn, the Contract(s) that are the subject of such objection shall be rejected as of the Rejection Date set forth in the Rejection Notice or such other date as agreed by the parties or determined by the Court as set forth in any order overruling such objection.

f. ***No Application of Deposits***. If the Debtors have deposited monies with a Contract counterparty as a security deposit or other arrangement, such Contract counterparty may not setoff, recoup, or otherwise use such monies without further order of the Court, unless the Debtors and the counterparty or counterparties to such Contract(s) otherwise agree.

g. ***Abandoned Property***. The Debtors are authorized, but not directed, at any time on or after the applicable Rejection Date, to remove or abandon, at their option, any of the Debtors' personal property that may be located on the Debtors' leased premises that are subject to a rejected Contract. The Debtors shall generally describe the abandoned personal property in the Rejection Notice. Absent a timely objection, the property will be deemed abandoned pursuant to section 554 of the Bankruptcy Code, as is, effective as of the Rejection Date.[4] Landlords may, in their sole discretion and without further order of this Court, utilize and/or dispose of such property without liability to the Debtors or third parties and, to the extent applicable, the automatic stay is modified to allow such disposition.

h. ***Rejection Damages***. Claims arising out of the rejection of Contracts, if any, must be filed on or before the later of (i) the deadline for filing proofs of

[4] If the Rejection Date specified in the Rejection Notice with respect to any Contract that is a lease of nonresidential real property predates the removal of any property not otherwise generally described in the Rejection Notice, the Rejection Date will not become effective until such date the property is removed from the leased premises.

claim established in these chapter 11 cases, and (ii) thirty (30) days after the Rejection Date. If no proof of claim is timely filed, such claimant shall be forever barred from asserting a claim for damages arising from the rejection and from participating in any distributions on such a claim that may be made in connection with these chapter 11 cases.

i. ***Removal from Schedule***. The Debtors reserve the right to remove any Contract from the schedule to any Rejection Notice at any time prior to the later of the Rejection Date or the date of entry of an order of the Court approving the rejection.

Proposed Assumption Procedures

10. The Debtors seek entry of an order authorizing and approving the following Assumption Procedures with respect to the Contracts to allow the Debtors to efficiently assume or assume and assign certain of the Contracts.

a. ***Assumption Notice***. The Debtors shall file one or more notices in the form attached to the proposed order as Exhibit B (each, an "Assumption Notice") to assume a Contract or Contracts pursuant to section 365 of the Bankruptcy Code, which shall set forth, among other things, with respect to each Contract listed in the Assumption Notice: (i) the Contract to be assumed; (ii) the Debtor or Debtors party to such Contract; (iii) the names and addresses of the counterparties to such Contract; (iv) the identity of the proposed assignee of such Contract (the "Assignee"), if applicable; (v) the effective date of the assumption for such Contract (the "Assumption Date"); (vi) the proposed cure amount, if any, for such Contract; and (vii) a description of any material amendments to the Contract made outside of the ordinary course of business. The Assumption Notice shall also set forth the deadlines and procedures for filing objections to the Assumption Notice (as set forth below). Each Assumption Notice may list multiple Contracts.

b. ***Service of Assumption Notice***. The Debtors will cause each Assumption Notice to be served via email, if available, and by overnight delivery service upon the Contract counterparties affected by the Assumption Notice and their counsel, if known, and by first class mail, email, or fax upon: (i) the Master Notice Parties and (ii) any party asserting a lien or other possessory interest in the Contract.[5]

c. ***Objection Procedures***. Parties objecting to a proposed assumption must file and serve a written objection so that such objection is filed with the Court and ***actually received*** by the Objection Service Parties no later than

[5] The Debtors shall serve a counterparty to a Contract to be assumed under the Contract Procedures with evidence of adequate assurance together with the Assumption Notice.

fourteen (14) after the date the Debtors serve the applicable Assumption Notice (the "Assumption Objection Deadline").

d. ***No Objection***. If no objection to the assumption of any Contract is timely filed, each Contract listed in the applicable Assumption Notice shall be assumed as of the Assumption Date set forth in the Assumption Notice or such other date as the Debtors and the counterparty or counterparties to such Contract(s) (and, as applicable, the assignee of such Contract) agree and the proposed cure amount for each such Contract shall be binding on all counterparties to such Contract(s) and no amount in excess thereof shall be paid for cure purposes.

e. ***Unresolved Objections***. If one or more objections to the assumption of any Contract(s) listed in the applicable Assumption Notice is timely filed and not withdrawn or resolved, the Debtors shall file a notice for a hearing to consider the assumption of the Contract(s) implicated by such objection(s) and shall provide at least ten (10) days' notice of such hearing to each objecting party and the Objection Service Parties. If any such objection is overruled or withdrawn, the Contract(s) that are the subject of such objection shall be assumed as of the Assumption Date set forth in the Assumption Notice or such other date as agreed by the Debtors and the counterparty or counterparties to such Contract(s) (and, as applicable, the assignee of such Contract) or determined by the Court as set forth in any order overruling such objection.

f. ***Removal from Schedule***. The Debtors reserve the right to remove any Contract from the schedule to any Assumption Notice at any time prior to the Assumption Date (including, without limitation, upon the failure of any proposed assumption and assignment to close), or to file an amended schedule revising the proposed cure amounts.

11. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Debtors request that the assignment of any Contract pursuant to the Assumption Procedures: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights), and (ii) any and all claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guaranties of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without

limitation, claims and encumbrances that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s), but only in connection with the assignment by the Debtors to the Assignee); and (b) constitutes a legal, valid, and effective transfer of such Contracts and vests the applicable Assignee with all rights, titles, and interests to the applicable Contracts.[6] For the avoidance of doubt, all provisions of an assigned Contract, including any provision limiting assignment, shall be binding on the applicable Assignee.

Basis for Relief

I. The Contract Procedures Are in the Best Interest of the Debtors' Estates.

12. Given the large number of Contracts to which the Debtors are a party, establishing the Contract Procedures will streamline the administration of these chapter 11 cases and enhance the efficiency of the reorganization process by eliminating substantial legal expenses that would otherwise be incurred if multiple hearings were held on separate motions with respect to every Contract that the Debtors seek to assume or reject. The Contract Procedures are reasonable and fair to Contract counterparties because they afford parties in interest the opportunity to be heard.

13. The Court may also authorize the Contract Procedures under section 105(a) of the Bankruptcy Code. Section 105(a) codifies a bankruptcy court's inherent equitable powers, and allows the Court to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). A bankruptcy court's exercise of its authority under section 105(a) of the Bankruptcy Code is appropriately used to carry out one of the central

6 Certain of the Contracts may contain provisions that restrict, prohibit, condition, or limit the assumption and/or assignment of such Contract. The Debtors reserve all rights with respect to the enforceability of such provisions.

policies underlying chapter 11—*i.e.*, to preserve value and maximize property available to satisfy a debtor's stakeholders.

14. The requested procedures are the product of a sound exercise of the Debtors' business judgment. They will significantly reduce the administrative process and not negatively impact any party in interest.

15. The Debtors submit that the information provided on the Rejection Notices and the Assumption Notices will provide the Court and interested parties with sufficient information to establish that the Debtors are entitled to make such rejection, assumption, or assumption and assignment (and any amendments thereto) in their sound business judgment. The Debtors respectfully submit that the Court should approve the Contract Procedures.

II. Assignment of Contracts Free and Clear of Interests.

16. Section 363(f) of the Bankruptcy Code permits a debtor to sell property free and clear of another party's interest in such property if: (a) applicable non-bankruptcy law permits a free and clear sale; (b) the holder of the interest consents; (c) the interest is a lien and the sale price of the property exceeds the value of all liens on the property; (d) the interest is in bona fide dispute; or (e) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. 11 U.S.C. § 363(f).

17. Executory contracts and unexpired leases are property of a debtor's estate. *See* 11 U.S.C. § 541(a); *see also In re EBC I, Inc.*, 356 B.R. 631, 639 (Bankr. D. Del. 2006) (holding that property of the estate includes a debtor's contract rights, in addition to tangible property, for purposes of section 541 of the Bankruptcy Code). To the extent the Debtors assume and assign a Contract pursuant to the Assumption Procedures, such assignment is tantamount to a sale of estate property, and may be transferred free and clear of the interests in such property held by an entity other than the estate, so long as one of the criteria under section 363(f) of the Bankruptcy Code is

satisfied. *See L.R.S.C. Co. v. Rickel Home Ctrs., Inc. (In re Rickel Home Ctrs., Inc.)*, 209 F.3d 291, 302 (3d Cir. 2000) (holding that because executory contracts are property of the estate for purposes of section 541 of the Bankruptcy Code, section 363 of the Bankruptcy Code governs the sale of such contracts, although section 365 governs the mechanics of conveyance) (citation omitted). The Debtors propose that if a party in interest fails to timely object to an assumption and assignment consistent with the Assumption Procedures, such party shall be deemed to "consent" to such assumption and assignment within the meaning of section 363(f)(2) of the Bankruptcy Code. *See* 11 U.S.C. § 363(f)(2). In accordance with the proposed Assumption Procedures, if a party in interest timely objects to an assumption and assignment of a Contract consistent with the Assumption Procedures, and such objection is not withdrawn or resolved, the Debtors shall file a notice of hearing consistent with the Assumption Procedures. The requirements of section 363(f) of the Bankruptcy Code would thus be satisfied for any proposed "transfer" of a Contract free and clear of liens, claims, encumbrances, and other interests.

III. Abandonment of Personal Property.

18. Section 554(a) provides that a debtor may abandon, subject to court approval, "property of the estate that . . . is of inconsequential value and benefit to the estate." 11 U.S.C. § 554(a). Before authorizing abandonment of property, a court must find that either (a) the property is burdensome to the estate or (b) the property is both of inconsequential value and inconsequential benefit to the estate. *See, e.g., In re Perry*, 394 B.R. 852, 856 (Bankr. S.D. Tex. Oct. 14, 2008).

19. The personal property proposed to be abandoned in connection with any future rejections of Leases would primarily consist of fixtures, furniture, advertising displays, and other office equipment that is (a) of minimal or no material value or benefit to the Debtors' estates and/or

(b) burdensome insofar as the costs and expenses of removal and storage of such property are likely to exceed the net proceeds realizable from their sale.

20. The Debtors submit that the standard set forth in section 554(a) of the Bankruptcy Code will be satisfied by the procedures set forth herein.

IV. The Contract Procedures Satisfy Due Process.

21. The counterparties to the Contracts will not be prejudiced by the Contract Procedures because, upon receipt of an Assumption Notice or a Rejection Notice, such counterparties will have received advance notice of the Debtors' intent to reject, assume, or assume and assign their respective Contract and of the effective date of such assumption or rejection. *See, e.g.*, *In re Mid Region Petroleum, Inc.*, 111 B.R. 968, 970 (Bankr. N.D. Okla. 1990) (holding effective date of rejection of leases was the date the trustee gave notice to lessor of intent to reject); *In re Carlisle Homes, Inc.*, 103 B.R. 524, 535 (Bankr. D.N.J. 1988) (finding debtor may reject executory contract by clearly communicating intention to reject). In the case of unexpired leases of nonresidential real property, the Debtors will likely vacate the premises before the Rejection Date, thereby allowing the counterparties to take possession of and re-lease the property promptly..

22. As a procedural matter, "[a] proceeding to assume, reject, or assign an executory contract or unexpired lease . . . is governed by [Bankruptcy] Rule 9014." Fed. R. Bankr. P. 6006(a). Bankruptcy Rule 9014 provides that "[i]n a contested matter . . . , not otherwise governed by these rules, relief shall be requested by motion, and reasonable notice and opportunity for hearing shall be afforded the party against whom relief is sought." Fed. R. Bankr. P. 9014(a). The notice and hearing requirements for contested matters under Bankruptcy Rule 9014 are satisfied if appropriate notice and an opportunity for hearing are given *in light of the particular circumstances*. *See* 11 U.S.C. § 102(1)(A) (defining "after notice and a hearing" or a similar

phrase to mean such notice and an opportunity for hearing "as [are] appropriate in the particular circumstances").

23. Under Bankruptcy Rule 6006(f), a debtor may join requests for authority to assume or reject multiple executory contracts or unexpired leases in one motion, subject to Bankruptcy Rule 6006(e). *See* Fed. R. Bankr. P. 6006(f). Bankruptcy Rule 6006(f) sets forth six requirements, which are procedural in nature, that motions to assume or reject multiple executory contracts or unexpired leases must satisfy. A motion to assume or reject multiple executory contracts or unexpired leases that are not between the same parties shall:

i. state in a conspicuous place that parties receiving the omnibus motion should locate their names and their contracts or leases listed in the motion;

ii. list parties alphabetically and identify the corresponding contract or lease;

iii. specify the terms, including the curing of defaults, for each requested assumption or assignment;

iv. specify the terms, including the identity of each assignee and the adequate assurance of future performance by each assignee, for each requested assignment;

v. be numbered consecutively with other omnibus motions to assume, assign, or reject executory contracts or unexpired leases; and

vi. be limited to no more than 100 executory contracts or unexpired leases.

Fed. R. Bankr. P. 6006(f).

24. The clear purpose of Bankruptcy Rule 6006(f) is to protect the due process rights of counterparties to the Contracts while conserving estate resources. Counterparties must be able to locate their Contracts and readily determine whether their Contracts are being assumed or rejected.

25. The Contract Procedures generally satisfy Bankruptcy Rule 6006(f). Given the substantial number of Contracts the Debtors will be seeking to assume or reject, obtaining Court

approval of each assumption or rejection would impose unnecessary administrative burdens on the Debtors and the Court and result in costs to the Debtors' estates that may decrease the economic benefits of rejection or assumption.

26. The Debtors request that the Court shorten the time to file and serve objections pursuant to Bankruptcy Rule 6007(a) to no later than fourteen (14) days after service of the Rejection Notice. Bankruptcy Rule 9006 provides that a court may shorten the time proscribed by Rule 6007 "for cause shown." Fed. R. Bankr. P. 9006(c). The Debtors are party to numerous Contracts, the rejection of which are critical to eliminating costs and administrative burdens on the Debtors' estates during these chapter 11 cases. The objection deadline contemplated by the proposed Rejection Procedures are necessary and appropriate to maximize the value of the Debtors' estates. Cause therefore exists for the Court to shorten the time to file and serve an objection pursuant to Rule 6007 in accordance with the relief requested in Motion.

27. Contract Procedures afford Contract counterparties and all other parties in interest their due process rights by providing notice and the opportunity to be heard. The Court will maintain oversight in the event of an objection. For the foregoing reasons, the Court should approve the Contract Procedures, and authorize the Debtors to reject, assume, and assume and assign the Contracts, as applicable, consistent with the terms of such procedures.

Emergency Consideration

28. 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 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm." As set forth in this Motion, an immediate and orderly transition into chapter 11 is critical to the ability of the Debtors' to maximize the value of their estates, and this emergency Motion is necessary to prevent

unnecessary delay in these chapter 11 cases. Given that the Debtors are winding down their estates, they believe having the ability to reject burdensome Contracts and Leases in the first days of these chapter 11 cases pursuant to the Rejection Procedures will maximize the value of the Debtors' estate. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

Wavier of Bankruptcy Rule 6004(a) and 6004(h)

29. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

30. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a

concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

Notice

31. The Debtors will provide notice of this Motion to the following parties: (a) the Office of the U.S. Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the administrative agent under the Debtors' prepetition asset-based revolving credit facility and counsel thereto; (d) the administrative agent under the Debtors' prepetition term loan facility and counsel thereto; (e) the administrative agent under the Debtors' prepetition real estate loan and counsel thereto; (f) the United States Attorney's Office for the Southern District of Texas; (g) the Internal Revenue Service; (h) the United States Securities and Exchange Commission; (i) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (j) the state attorneys general for states in which the Debtors conduct business; and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

32. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter the Order, granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Houston, Texas
July 20, 2020

/s/ Paul D. Moak

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Proposed Co-Counsel to the Debtors and Debtors in Possession

Certificate of Service

I certify that on July 20, 2020, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Paul D. Moak
Paul D. Moak

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. __**

ORDER (I) AUTHORIZING AND APPROVING PROCEDURES TO ASSUME, ASSUME AND ASSIGN, AND REJECT EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), (a) authorizing and approving procedures to assume, assume and assign, and reject executory contracts and unexpired leases, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declarations; 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) and that this Court may enter a final 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used and not defined herein have the meanings ascribed to them in the Motion.

Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The following Rejection Procedures are approved in connection with rejecting Contracts:

a. ***Rejection Notice***. The Debtors shall file one or more notices in the form attached to hereto as **Exhibit A** (each, a "Rejection Notice") to reject a Contract or Contracts pursuant to section 365 of the Bankruptcy Code, which Rejection Notice(s) shall set forth, among other things, with respect to each Contract listed on the Rejection Notice: (i) the Contract to be rejected; (ii) the Debtor or Debtors party to such Contract; (iii) the names and addresses of the counterparties to such Contract; (iv) the proposed effective date of the rejection for such Contract (the "Rejection Date"); and (v) if such Contract is a Lease, the personal property to be abandoned, if any. The Rejection Notice shall also set forth the deadlines and procedures for filing objections to the Rejection Notice (as set forth below). Each Rejection Notice may list multiple Contracts.

b. ***Service of Rejection Notice***. The Debtors will cause the Rejection Notice and Rejection Schedule to be served by electronic mail upon: (i) each Rejection Counterparty; (ii) the United States Trustee for the Southern District of Texas (the "U.S. Trustee"); (iii) counsel to any statutory committee appointed; (iv) counsel to the Prepetition ABL Lenders, as administrative agent under the Debtors' prepetition credit agreement; (v) with respect to real property Leases, any known third party having an interest in personal property located at the leased premises; and (vi) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Rejection Notice Parties").

c. ***Objection Procedures***. Parties objecting to a proposed rejection must file and serve a written objection so that such objection is filed with the Court on the docket of the Debtors' chapter 11 cases and actually received by the following parties (collectively, the "Objection Service Parties") no later than fourteen (14) days after the date the Debtors serve the relevant Rejection Notice (the "Rejection Objection Deadline"): (i) the Debtors, 11211 Farm to Market 2920 Road, Tomball, Texas 77375, Attn: John Bakht

(generalcounsel@bjservices.com); (ii) proposed counsel to the Debtors, (A) Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha G. Lawrence (samantha.lawrence@kirkland.com) and Joshua M. Altman (josh.altman@kirkland.com), and (B) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn.: Paul D. Moak (pmoak@grayreed.com) and Amber M. Carson (acarson@grayreed.com); (iii) the Office of The United States Trustee, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn.: Hector Duran (hector.duran.jr.@usdoj.gov) and Stephen Statham (stephen.statham@usdoj.gov); (iv) counsel to the Prepetition ABL Lenders, Sidley Austin LLP, One South Dearborn, Chicago, Illinois 60603, Attn: Dennis Twomey (dtwomey@sidley.com), Herschel Hamner (hhamner@sidley.com), and Alyssa Russell (alyssa.russell@sidley.com); and (v) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases.

d. ***No Objection***. If no objection to the rejection of any Contract is timely filed, each Contract listed in the applicable Rejection Notice shall be rejected as of the Rejection Date set forth in the Rejection Notice or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree; *provided* that the effective date of a rejection of a real property lease shall not occur until the later of (i) the date the Debtors file and serve a Rejection Notice for the lease, and (ii) the date the Debtors relinquish control of the premises by notifying the affected landlord in writing of the Debtors' surrender of the premises and turn over keys, key codes, and securities codes, if any, to the affected landlord.

e. ***Unresolved Objections***. If one or more objections to the rejection of any Contract(s) listed in the applicable Rejection Notice is timely filed and properly served as specified above and not withdrawn or resolved, the Debtors shall file a notice for a hearing to consider the rejection of the Contract(s) implicated by such objection(s) and shall provide at least ten (10) days' notice of such hearing to each objecting party and the Objection Service Parties. If any such objection is overruled or withdrawn, the Contract(s) that are the subject of such objection shall be rejected as of the Rejection Date set forth in the Rejection Notice or such other date as agreed by the parties or determined by the Court as set forth in any order overruling such objection.

f. ***No Application of Deposits***. If the Debtors have deposited monies with a Contract counterparty as a security deposit or other arrangement, such Contract counterparty may not setoff, recoup, or otherwise use such monies without further order of the Court, unless the Debtors and the counterparty or counterparties to such Contract(s) otherwise agree.

g. ***Abandoned Property***. The Debtors are authorized, but not directed, at any time on or after the applicable Rejection Date, to remove or abandon, at

their option, any of the Debtors' personal property that may be located on the Debtors' leased premises that are subject to a rejected Contract. The Debtors shall generally describe the abandoned personal property in the Rejection Notice. Absent a timely objection, the property will be deemed abandoned pursuant to section 554 of the Bankruptcy Code, as is, effective as of the Rejection Date.[3] Landlords may, in their sole discretion and without further order of this Court, utilize and/or dispose of such property without liability to the Debtors or third parties and, to the extent applicable, the automatic stay is modified to allow such disposition.

h. ***Rejection Damages***. Claims arising out of the rejection of Contracts, if any, must be filed on or before the later of (i) the deadline for filing proofs of claim established in these chapter 11 cases, and (ii) thirty (30) days after the Rejection Date. If no proof of claim is timely filed, such claimant shall be forever barred from asserting a claim for damages arising from the rejection and from participating in any distributions on such a claim that may be made in connection with these chapter 11 cases.

i. ***Removal from Schedule***. The Debtors reserve the right to remove any Contract from the schedule to any Rejection Notice at any time prior to the later of the Rejection Date or the date of entry of an order of the Court approving the rejection.

2. The following Assumption Procedures are approved in connection with assuming and assuming and assigning Contracts:

a. ***Assumption Notice***. The Debtors shall file one or more notices in the form attached hereto as **Exhibit B** (each, an "Assumption Notice") to assume a Contract or Contracts pursuant to section 365 of the Bankruptcy Code, which shall set forth, among other things, with respect to each Contract listed in the Assumption Notice: (i) the Contract to be assumed; (ii) the Debtor or Debtors party to such Contract; (iii) the names and addresses of the counterparties to such Contract; (iv) the identity of the proposed assignee of such Contract (the "Assignee"), if applicable; (v) the effective date of the assumption for such Contract (the "Assumption Date"); (vi) the proposed cure amount, if any, for such Contract; and (vii) a description of any material amendments to the Contract made outside of the ordinary course of business. The Assumption Notice shall also set forth the deadlines and procedures for filing objections to the Assumption Notice (as set forth below). Each Assumption Notice may list multiple Contracts.

[3] If the Rejection Date specified in the Rejection Notice with respect to any Contract that is a lease of nonresidential real property predates the removal of any property not otherwise generally described in the Rejection Notice, the Rejection Date will not become effective until such date the property is removed from the leased premises.

b. ***Service of Assumption Notice***. The Debtors will cause each Assumption Notice to be served via email, if available, and by overnight delivery service upon the Contract counterparties affected by the Assumption Notice and their counsel, if known, and by first class mail, email, or fax upon: (i) the Master Notice Parties and (ii) any party asserting a lien or other possessory interest in the Contract.[4]

c. ***Objection Procedures***. Parties objecting to a proposed assumption must file and serve a written objection so that such objection is filed with the Court and ***actually received*** by the Objection Service Parties no later than fourteen (14) days after the date the Debtors serve the applicable Assumption Notice (the "Assumption Objection Deadline").

d. ***No Objection***. If no objection to the assumption of any Contract is timely filed, each Contract listed in the applicable Assumption Notice shall be assumed as of the Assumption Date set forth in the Assumption Notice or such other date as the Debtors and the counterparty or counterparties to such Contract(s) (and, as applicable, the assignee of such Contract) agree and the proposed cure amount for each such Contract shall be binding on all counterparties to such Contract(s) and no amount in excess thereof shall be paid for cure purposes.

e. ***Unresolved Objections***. If one or more objections to the assumption of any Contract(s) listed in the applicable Assumption Notice is timely filed and not withdrawn or resolved, the Debtors shall file a notice for a hearing to consider the assumption of the Contract(s) implicated by such objection(s) and shall provide at least ten (10) days' notice of such hearing to each objecting party and the Objection Service Parties. If any such objection is overruled or withdrawn, the Contract(s) that are the subject of such objection shall be assumed as of the Assumption Date set forth in the Assumption Notice or such other date as agreed by the Debtors and the counterparty or counterparties to such Contract(s) (and, as applicable, the assignee of such Contract) or determined by the Court as set forth in any order overruling such objection.

f. ***Removal from Schedule***. The Debtors reserve the right to remove any Contract from the schedule to any Assumption Notice at any time prior to the Assumption Date (including, without limitation, upon the failure of any proposed assumption and assignment to close), or to file an amended schedule revising the proposed cure amounts.

[4] The Debtors shall serve a counterparty to a Contract to be assumed under the Contract Procedures with evidence of adequate assurance upon such counterparty's written request to the Debtors' proposed counsel.

3. With regard to Contracts to be assigned, pursuant to section 363(f) of the Bankruptcy Code, the assignment of any Contract shall: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights) and (ii) any and all claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guarantees of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, claims, and encumbrances (A) that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s), or (B) in respect of any taxes); and (b) constitute a legal, valid, and effective transfer of such Contract(s) and vests the applicable Assignee with all rights, titles, and interests to the applicable Contract(s).

4. Subject to and conditioned upon the occurrence of a closing with respect to the assumption and assignment of any Contract, and subject to the other provisions of this Order (including the aforementioned Assumption Procedures), the Debtors are hereby authorized in accordance with sections 365(b) and (f) of the Bankruptcy Code to (a) assume and assign to any Assignees the applicable Contract(s), with any applicable Assignee being responsible only for the post-closing liabilities under the applicable Contract(s) except as otherwise provided for in this Order or other order of the Court and (b) execute and deliver to any applicable Assignee such assignment documents as may be reasonably necessary to sell, assign, and transfer such Contract(s).

5. The Debtors' right to assert that any provisions in the Contract that expressly or effectively (directly or indirectly) restrict, prohibit, condition, or limit the assignment of or the effectiveness of the applicable Contract are unenforceable anti-assignment or *ipso facto* clauses is fully reserved.

6. An Assignee shall have no liability or obligation with respect to defaults relating to the assigned Contracts arising, accruing or relating to a period prior to the applicable closing date, unless otherwise ordered by the Court.

7. Nothing herein or in the Motion shall preclude the Debtors from seeking to assume, assume and assign, and reject a Contract by separate motion.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

9. All rights and defenses of the Debtors are preserved, including all rights and defenses of the Debtors with respect to a claim for damages arising as a result of a Contract rejection, including any right to assert an offset, recoupment, counterclaim, or deduction. In addition, nothing in this Order or the Motion shall limit the Debtors' ability to subsequently assert that any particular Contract is terminated and is no longer an executory contract or unexpired lease, respectively.

10. The fourteen-day stay required of any assignment of any Contract pursuant to Bankruptcy Rule 6006(d) is hereby waived.

11. Bankruptcy Rule 6006(f) is deemed satisfied.

12. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable

nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

13. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

14. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

15. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Bankruptcy Rules and the Bankruptcy Local Rules are satisfied by such notice.

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

Houston, Texas
Dated: _____, 2020

HON. MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

Form of Rejection Notice

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF REJECTION OF (I) CERTAIN EXECUTORY CONTRACT[S] [AND/OR UNEXPIRED LEASES]

PLEASE TAKE NOTICE that on [_____], 2020, the United States Bankruptcy Court for the District of Southern District of Texas (the "Court") entered an order (the "Procedures Order") in the above-referenced chapter 11 cases of above-captioned debtors and debtors in possession (collectively, the "Debtors"), establishing, among other things, procedures (the "Rejection Procedures") for the rejection of executory contracts and unexpired leases.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Procedures Order and by this written notice (this "Rejection Notice"), the Debtors hereby provide notice that they have determined, in the exercise of their business judgment, that each Contract set forth on **Exhibit I** attached hereto is hereby rejected effective as of the date (the "Rejection Date") set forth in **Exhibit I**, or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree in accordance with the Procedures Order.

PLEASE TAKE FURTHER NOTICE that, parties seeking to object to the proposed rejection of any of the Contracts must file and serve a written objection so that such objection is

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

filed with the Court and is actually received no later than fourteen days after the date that the Debtors served this Rejection Notice by the following parties: (i) the Debtors, 11211 Farm to Market 2920 Road, Tomball, Texas 77375, Attn: John Bakht (generalcounsel@bjservices.com); (ii) proposed counsel to the Debtors, (A) Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha G. Lawrence (samantha.lawrence@kirkland.com) and Joshua M. Altman (josh.altman@kirkland.com), and (B) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn.: Paul D. Moak (pmoak@grayreed.com) and Amber M. Carson (acarson@grayreed.com); (iii) the Office of The United States Trustee, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn.: Hector Duran (hector.duran.jr.@usdoj.gov) and Stephen Statham (stephen.statham@usdoj.gov); (iv) counsel to the Prepetition ABL Lenders, Sidley Austin LLP, One South Dearborn, Chicago, Illinois 60603, Attn: Dennis Twomey (dtwomey@sidley.com), Herschel Hamner (hhamner@sidley.com), and Alyssa Russell (alyssa.russell@sidley.com); and (v) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases.

PLEASE TAKE FURTHER NOTICE that, absent an objection being timely filed, the rejection of each Contract shall become effective on the Rejection Date set forth in **Exhibit I**, or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree.[2]

PLEASE TAKE FURTHER NOTICE that, if an objection to the rejection of any Contract is timely filed and not withdrawn or resolved, the Debtors shall file a notice for a hearing to consider the objection for the Contract(s) to which such objection relates. If such objection is

[2] An objection to the rejection of any particular Contract listed in this Rejection Notice shall not constitute an objection to the rejection of any other contract or lease listed in this Rejection Notice. Any objection to the rejection of any particular Contract listed in this Rejection Notice must state with specificity the Contract to which it is directed. For each particular Contract whose rejection is not timely or properly objected to, such rejection will be effective in accordance with this Rejection Notice and the Procedures Order.

overruled or withdrawn, such Contract(s) shall be rejected as of the Rejection Date set forth in **Exhibit I** or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree in accordance with the Procedures Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Procedures Order, if the Debtors have deposited monies with a Contract counterparty as a security deposit or other arrangement, the Contract counterparty may not set off or recoup or otherwise use such monies without further order of the Court, unless the Debtors and the counterparty or counterparties to such Contracts otherwise agree in accordance with the Procedures Order.

PLEASE TAKE FURTHER NOTICE that, absent timely objection, any personal property of the Debtors that is listed and described in **Exhibit I** shall be deemed abandoned as of the Rejection Date.

PLEASE TAKE FURTHER NOTICE that, to the extent you wish to assert a claim(s) with respect to rejection of your Contract(s), you must do so by the later of: (a) the claims bar date established in these chapter 11 cases, if any; (b) 30 days after the Rejection Date; and (c) any date established by further order of the Court. FAILURE TO ASSERT SUCH CLAIMS ON TIME WILL RESULT IN SUCH CLAIMS BEING FOREVER BARRED.

[*Remainder of page intentionally left blank.*]

Houston, Texas
July 20, 2020

/s/ Draft

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Paul D. Moak (TX Bar No. 00794316)
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josh.altman@kirkland.com

Proposed Co-Counsel to the Debtors and Debtors in Possession

Exhibit I

Rejected Contracts

Counterparty	Debtor Counterparty	Description of Contract[1]	Abandoned Personal Property	Rejection Date

[1] The inclusion of a Contract on this list does not constitute an admission as to the executory or non-executory nature of the Contract, or as to the existence or validity of any claims held by the counterparty or counterparties to such Contract.

Exhibit B

Form of Assumption Notice

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF ASSUMPTION OF [A] CERTAIN EXECUTORY CONTRACT[S] [AND/OR UNEXPIRED LEASES]

PLEASE TAKE NOTICE that on [_____], 2020, the United States Bankruptcy Court for the Southern District of Texas (the "Court") entered an order (the "Procedures Order") in the above-referenced chapter 11 cases of above-captioned debtors and debtors in possession (collectively, the "Debtors"), establishing, among other things, procedures (the "Assumption Procedures") for the assumption of executory contracts and unexpired leases (the "Contracts").

PLEASE TAKE FURTHER NOTICE that, pursuant to the Procedures Order and by this written notice (this "Assumption Notice"), the Debtors hereby notify you that they have determined, in the exercise of their business judgment, that each Contract set forth on **Exhibit I** attached hereto is hereby assumed or assumed and assigned effective as of the date (the "Assumption Date") set forth in **Exhibit I**, or such other date as the Debtors and the counterparties to such Contracts agree.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

PLEASE TAKE FURTHER NOTICE that, the [Debtor/Assignee], has the financial wherewithal to meet all future obligations under the Contract, which may be evidenced upon written request by the counterparty to the Contract, thereby demonstrating that the [Debtor/Assignee] has the ability to comply with the requirements of adequate assurance of future performance.[2]

PLEASE TAKE FURTHER NOTICE that, parties seeking to object to the proposed assumption or assumption and assignment of any of the Contracts must file and serve a written objection so that such objection is filed with the Court and is actually received no later than fourteen days after the date that the Debtors served this Assumption Notice by the following parties: (i) the Debtors, 11211 Farm to Market 2920 Road, Tomball, Texas 77375, Attn: John Bakht (generalcounsel@bjservices.com); (ii) proposed counsel to the Debtors, (A) Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha G. Lawrence (samantha.lawrence@kirkland.com) and Joshua M. Altman (josh.altman@kirkland.com), and (B) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn.: Paul D. Moak (pmoak@grayreed.com) and Amber M. Carson (acarson@grayreed.com); (iii) the Office of The United States Trustee, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn.: Hector Duran (hector.duran.jr.@usdoj.gov) and Stephen Statham (stephen.statham@usdoj.gov); (iv) counsel to the Prepetition ABL Lenders, Sidley Austin LLP, One South Dearborn, Chicago, Illinois 60603, Attn: Dennis Twomey (dtwomey@sidley.com), Herschel Hamner (hhamner@sidley.com), and Alyssa Russell (alyssa.russell@sidley.com); and (v) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases.

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2 The Debtors shall serve the counterparty to the Contract with evidence of adequate assurance upon such counterparty's written request to Debtors' proposed counsel.

PLEASE TAKE FURTHER NOTICE that, absent an objection being timely filed, the assumption of each Contract shall become effective on the Assumption Date set forth in **Exhibit I**, or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree in accordance with the Procedures Order.[3]

PLEASE TAKE FURTHER NOTICE that, if an objection to the assumption of any Contract(s) is timely filed and not withdrawn or resolved, the Debtors shall file a notice for a hearing to consider the objection for such Contract(s). If such objection is overruled or withdrawn, such Contract(s) shall be assumed as of the Assumption Date set forth in **Exhibit I** or such other date as the Debtors and the counterparty or counterparties to such Contract agree in accordance with the Procedures Order.

[*Remainder of page intentionally left blank.*]

3 An objection to the assumption of any particular Contract listed in this Assumption Notice shall not constitute an objection to the assumption of any other contract or lease listed in this Assumption Notice. Any objection to the assumption of any particular Contract listed in this Assumption Notice must state with specificity the Contract to which it is directed. For each particular Contract whose assumption is not timely or properly objected to, such assumption will be effective in accordance with this Assumption Notice and the Procedures Order.

Houston, Texas
July 20, 2020

/s/ Draft

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Jason S. Brookner (TX Bar No. 24033684)
Paul D. Moak (TX Bar No. 00794316)
Amber M. Carson (TX Bar No. 24075610)
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-and-

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josh.altman@kirkland.com

Proposed Co-Counsel to the Debtors and Debtors in Possession

Exhibit I

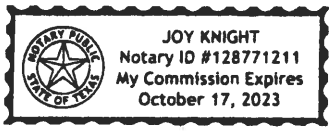
Assumed Contracts

Counterparty	Debtor Counterparty	Description of Contract[1]	Cure Amount	Assumption Date

1 The inclusion of a Contract on this list does not constitute an admission as to the executory or non-executory nature of the Contract, or as to the existence or validity of any claims held by the counterparty or counterparties to such Contract.

EXHIBIT 19

THIS IS **EXHIBIT "19"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

ENTERED
07/29/2020

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 37**

ORDER (I) AUTHORIZING AND APPROVING PROCEDURES TO ASSUME, ASSUME AND ASSIGN, AND REJECT EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), (a) authorizing and approving procedures to assume, assume and assign, and reject executory contracts and unexpired leases, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declarations; 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) and that this Court may enter a final 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 this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

[2] Capitalized terms used and not defined herein have the meanings ascribed to them in the Motion.

Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The following Rejection Procedures are approved in connection with rejecting Contracts:

a. ***Rejection Notice***. The Debtors shall file one or more notices in the form attached to hereto as **Exhibit A** (each, a "Rejection Notice") to reject a Contract or Contracts pursuant to section 365 of the Bankruptcy Code, which Rejection Notice(s) shall set forth, among other things, with respect to each Contract listed on the Rejection Notice: (i) the Contract to be rejected; (ii) the Debtor or Debtors party to such Contract; (iii) the names and addresses of the counterparties to such Contract; (iv) the proposed effective date of the rejection for such Contract (the "Rejection Date"); and (v) if such Contract is a Lease, the personal property to be abandoned, if any. The Rejection Notice shall also set forth the deadlines and procedures for filing objections to the Rejection Notice (as set forth below). Each Rejection Notice may list multiple Contracts.

b. ***Service of Rejection Notice***. The Debtors will cause the Rejection Notice and Rejection Schedule to be served by electronic mail upon: (i) each Rejection Counterparty; (ii) the United States Trustee for the Southern District of Texas (the "U.S. Trustee"); (iii) counsel to any statutory committee appointed; (iv) counsel to the Prepetition ABL Lenders, as administrative agent under the Debtors' prepetition credit agreement; (v) with respect to real property Leases, any known third party having an interest in personal property located at the leased premises; and (vi) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Rejection Notice Parties").

c. ***Objection Procedures***. Parties objecting to a proposed rejection must file and serve a written objection so that such objection is filed with the Court on the docket of the Debtors' chapter 11 cases no later than fourteen (14) days after the date the Debtors serve the relevant Rejection Notice.

(

d. ***No Objection***. If no objection to the rejection of any Contract is timely filed, each Contract listed in the applicable Rejection Notice shall be rejected as of the Rejection Date set forth in the Rejection Notice or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree; *provided* that the effective date of a rejection of a real property lease shall not occur until the later of (i) the date the Debtors file and serve a Rejection Notice for the lease, and (ii) the date the Debtors relinquish control of the premises by notifying the affected landlord in writing of the Debtors' surrender of the premises and turn over keys, key codes, and securities codes, if any, to the affected landlord.

e. ***Unresolved Objections***. If one or more objections to the rejection of any Contract(s) listed in the applicable Rejection Notice is timely filed and properly served as specified above and not withdrawn or resolved, the Debtors shall file a notice for a hearing to consider the rejection of the Contract(s) implicated by such objection(s) and shall provide at least ten (10) days' notice of such hearing to each objecting party and the Objection Service Parties. If any such objection is overruled or withdrawn, the Contract(s) that are the subject of such objection shall be rejected as of the Rejection Date set forth in the Rejection Notice or such other date as agreed by the parties or determined by the Court as set forth in any order overruling such objection.

f. ***No Application of Deposits***. If the Debtors have deposited monies with a Contract counterparty as a security deposit or other arrangement, such Contract counterparty may not setoff, recoup, or otherwise use such monies without further order of the Court, unless the Debtors and the counterparty or counterparties to such Contract(s) otherwise agree.

g. ***Abandoned Property***. The Debtors are authorized, but not directed, at any time on or after the applicable Rejection Date, to remove or abandon, at

their option, any of the Debtors' personal property that may be located on the Debtors' leased premises that are subject to a rejected Contract. The Debtors shall generally describe the abandoned personal property in the Rejection Notice. Absent a timely objection, the property will be deemed abandoned pursuant to section 554 of the Bankruptcy Code, as is, effective as of the Rejection Date.[3] Landlords may, in their sole discretion and without further order of this Court, utilize and/or dispose of such property without liability to the Debtors or third parties and, to the extent applicable, the automatic stay is modified to allow such disposition.

h. ***Rejection Damages***. Claims arising out of the rejection of Contracts, if any, must be filed on or before the later of (i) the deadline for filing proofs of claim established in these chapter 11 cases, and (ii) thirty (30) days after the Rejection Date. If no proof of claim is timely filed, such claimant shall be forever barred from asserting a claim for damages arising from the rejection and from participating in any distributions on such a claim that may be made in connection with these chapter 11 cases.

i. ***Removal from Schedule***. The Debtors reserve the right to remove any Contract from the schedule to any Rejection Notice at any time prior to the later of the Rejection Date or the date of entry of an order of the Court approving the rejection.

2. The following Assumption Procedures are approved in connection with assuming and assuming and assigning Contracts:

a. ***Assumption Notice***. The Debtors shall file one or more notices in the form attached hereto as **Exhibit B** (each, an "Assumption Notice") to assume a Contract or Contracts pursuant to section 365 of the Bankruptcy Code, which shall set forth, among other things, with respect to each Contract listed in the Assumption Notice: (i) the Contract to be assumed; (ii) the Debtor or Debtors party to such Contract; (iii) the names and addresses of the counterparties to such Contract; (iv) the identity of the proposed assignee of such Contract (the "Assignee"), if applicable; (v) the effective date of the assumption for such Contract (the "Assumption Date"); (vi) the proposed cure amount, if any, for such Contract; and (vii) a description of any material amendments to the Contract made outside of the ordinary course of business. The Assumption Notice shall also set forth the deadlines and procedures for filing objections to the Assumption Notice (as set forth below). Each Assumption Notice may list multiple Contracts.

[3] If the Rejection Date specified in the Rejection Notice with respect to any Contract that is a lease of nonresidential real property predates the removal of any property not otherwise generally described in the Rejection Notice, the Rejection Date will not become effective until such date the property is removed from the leased premises.

b. ***Service of Assumption Notice***. The Debtors will cause each Assumption Notice to be served via email, if available, and by overnight delivery service upon the Contract counterparties affected by the Assumption Notice and their counsel, if known, and by first class mail, email, or fax upon: (i) the Master Notice Parties and (ii) any party asserting a lien or other possessory interest in the Contract.[4]

c. ***Objection Procedures***. Parties objecting to a proposed assumption must file and serve a written objection so that such objection is filed with the Court and ***actually received*** by the Objection Service Parties no later than fourteen (14) days after the date the Debtors serve the applicable Assumption Notice (the "Assumption Objection Deadline").

d. ***No Objection***. If no objection to the assumption of any Contract is timely filed, each Contract listed in the applicable Assumption Notice shall be assumed as of the Assumption Date set forth in the Assumption Notice or such other date as the Debtors and the counterparty or counterparties to such Contract(s) (and, as applicable, the assignee of such Contract) agree and the proposed cure amount for each such Contract shall be binding on all counterparties to such Contract(s) and no amount in excess thereof shall be paid for cure purposes.

e. ***Unresolved Objections***. If one or more objections to the assumption of any Contract(s) listed in the applicable Assumption Notice is timely filed and not withdrawn or resolved, the Debtors shall file a notice for a hearing to consider the assumption of the Contract(s) implicated by such objection(s) and shall provide at least ten (10) days' notice of such hearing to each objecting party and the Objection Service Parties. If any such objection is overruled or withdrawn, the Contract(s) that are the subject of such objection shall be assumed as of the Assumption Date set forth in the Assumption Notice or such other date as agreed by the Debtors and the counterparty or counterparties to such Contract(s) (and, as applicable, the assignee of such Contract) or determined by the Court as set forth in any order overruling such objection.

f. ***Removal from Schedule***. The Debtors reserve the right to remove any Contract from the schedule to any Assumption Notice at any time prior to the Assumption Date (including, without limitation, upon the failure of any proposed assumption and assignment to close), or to file an amended schedule revising the proposed cure amounts.

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[4] The Debtors shall serve a counterparty to a Contract to be assumed under the Contract Procedures with evidence of adequate assurance upon such counterparty's written request to the Debtors' proposed counsel.

3. With regard to Contracts to be assigned, pursuant to section 363(f) of the Bankruptcy Code, the assignment of any Contract shall: (a) be free and clear of (i) all liens (and any liens shall attach to the proceeds in the same order and priority subject to all existing defenses, claims, setoffs, and rights) and (ii) any and all claims (as that term is defined in section 101(5) of the Bankruptcy Code), obligations, demands, guarantees of or by the Debtors, debts, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise (including, without limitation, claims, and encumbrances (A) that purport to give to any party a right or option to effect any forfeiture, modification, or termination of the interest of any Debtor or Assignee, as the case may be, in the Contract(s), or (B) in respect of any taxes); and (b) constitute a legal, valid, and effective transfer of such Contract(s) and vests the applicable Assignee with all rights, titles, and interests to the applicable Contract(s).

4. Subject to and conditioned upon the occurrence of a closing with respect to the assumption and assignment of any Contract, and subject to the other provisions of this Order (including the aforementioned Assumption Procedures), the Debtors are hereby authorized in accordance with sections 365(b) and (f) of the Bankruptcy Code to (a) assume and assign to any Assignees the applicable Contract(s), with any applicable Assignee being responsible only for the post-closing liabilities under the applicable Contract(s) except as otherwise provided for in this Order or other order of the Court and (b) execute and deliver to any applicable Assignee such assignment documents as may be reasonably necessary to sell, assign, and transfer such Contract(s).

5. The Debtors' right to assert that any provisions in the Contract that expressly or effectively (directly or indirectly) restrict, prohibit, condition, or limit the assignment of or the effectiveness of the applicable Contract are unenforceable anti-assignment or *ipso facto* clauses is fully reserved.

6. An Assignee shall have no liability or obligation with respect to defaults relating to the assigned Contracts arising, accruing or relating to a period prior to the applicable closing date, unless otherwise ordered by the Court.

7. Nothing herein or in the Motion shall preclude the Debtors from seeking to assume, assume and assign, and reject a Contract by separate motion.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

9. All rights and defenses of the Debtors are preserved, including all rights and defenses of the Debtors with respect to a claim for damages arising as a result of a Contract rejection, including any right to assert an offset, recoupment, counterclaim, or deduction. In addition, nothing in this Order or the Motion shall limit the Debtors' ability to subsequently assert that any particular Contract is terminated and is no longer an executory contract or unexpired lease, respectively.

10. The fourteen-day stay required of any assignment of any Contract pursuant to Bankruptcy Rule 6006(d) is hereby waived.

11. Bankruptcy Rule 6006(f) is deemed satisfied.

12. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable

nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

13. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

14. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

15. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Bankruptcy Rules and the Bankruptcy Local Rules are satisfied by such notice.

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

Signed: July 29, 2020

Marvin Isgur
United States Bankruptcy Judge

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Exhibit A

Form of Rejection Notice

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF REJECTION OF (I) CERTAIN EXECUTORY CONTRACT[S] [AND/OR UNEXPIRED LEASES]

PLEASE TAKE NOTICE that on [_____], 2020, the United States Bankruptcy Court for the District of Southern District of Texas (the "Court") entered an order (the "Procedures Order") in the above-referenced chapter 11 cases of above-captioned debtors and debtors in possession (collectively, the "Debtors"), establishing, among other things, procedures (the "Rejection Procedures") for the rejection of executory contracts and unexpired leases.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Procedures Order and by this written notice (this "Rejection Notice"), the Debtors hereby provide notice that they have determined, in the exercise of their business judgment, that each Contract set forth on **Exhibit I** attached hereto is hereby rejected effective as of the date (the "Rejection Date") set forth in **Exhibit I**, or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree in accordance with the Procedures Order.

PLEASE TAKE FURTHER NOTICE that, parties seeking to object to the proposed rejection of any of the Contracts must file and serve a written objection so that such objection is

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

filed with the Court and is actually received no later than fourteen days after the date that the Debtors served this Rejection Notice by the following parties: (i) the Debtors, 11211 Farm to Market 2920 Road, Tomball, Texas 77375, Attn: John Bakht (generalcounsel@bjservices.com); (ii) proposed counsel to the Debtors, (A) Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha G. Lawrence (samantha.lawrence@kirkland.com) and Joshua M. Altman (josh.altman@kirkland.com), and (B) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn.: Paul D. Moak (pmoak@grayreed.com) and Amber M. Carson (acarson@grayreed.com); (iii) the Office of The United States Trustee, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn.: Hector Duran (hector.duran.jr.@usdoj.gov) and Stephen Statham (stephen.statham@usdoj.gov); (iv) counsel to the Prepetition ABL Lenders, Sidley Austin LLP, One South Dearborn, Chicago, Illinois 60603, Attn: Dennis Twomey (dtwomey@sidley.com), Herschel Hamner (hhamner@sidley.com), and Alyssa Russell (alyssa.russell@sidley.com); and (v) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases.

PLEASE TAKE FURTHER NOTICE that, absent an objection being timely filed, the rejection of each Contract shall become effective on the Rejection Date set forth in **Exhibit I**, or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree.[2]

PLEASE TAKE FURTHER NOTICE that, if an objection to the rejection of any Contract is timely filed and not withdrawn or resolved, the Debtors shall file a notice for a hearing to consider the objection for the Contract(s) to which such objection relates. If such objection is

[2] An objection to the rejection of any particular Contract listed in this Rejection Notice shall not constitute an objection to the rejection of any other contract or lease listed in this Rejection Notice. Any objection to the rejection of any particular Contract listed in this Rejection Notice must state with specificity the Contract to which it is directed. For each particular Contract whose rejection is not timely or properly objected to, such rejection will be effective in accordance with this Rejection Notice and the Procedures Order.

overruled or withdrawn, such Contract(s) shall be rejected as of the Rejection Date set forth in **Exhibit I** or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree in accordance with the Procedures Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Procedures Order, if the Debtors have deposited monies with a Contract counterparty as a security deposit or other arrangement, the Contract counterparty may not set off or recoup or otherwise use such monies without further order of the Court, unless the Debtors and the counterparty or counterparties to such Contracts otherwise agree in accordance with the Procedures Order.

PLEASE TAKE FURTHER NOTICE that, absent timely objection, any personal property of the Debtors that is listed and described in **Exhibit I** shall be deemed abandoned as of the Rejection Date.

PLEASE TAKE FURTHER NOTICE that, to the extent you wish to assert a claim(s) with respect to rejection of your Contract(s), you must do so by the later of: (a) the claims bar date established in these chapter 11 cases, if any; (b) 30 days after the Rejection Date; and (c) any date established by further order of the Court. FAILURE TO ASSERT SUCH CLAIMS ON TIME WILL RESULT IN SUCH CLAIMS BEING FOREVER BARRED.

[*Remainder of page intentionally left blank.*]

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Houston, Texas
July 20, 2020

/s/ Draft

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Proposed Co-Counsel to the Debtors and Debtors in Possession

Case 20-33627 Document 194-1 Filed on 07/28/20 in TXSB Page 15 of 21

Exhibit I

Rejected Contracts

Counterparty	Debtor Counterparty	Description of Contract[1]	Abandoned Personal Property	Rejection Date

[1] The inclusion of a Contract on this list does not constitute an admission as to the executory or non-executory nature of the Contract, or as to the existence or validity of any claims held by the counterparty or counterparties to such Contract.

Exhibit B

Form of Assumption Notice

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF ASSUMPTION OF [A] CERTAIN EXECUTORY CONTRACT[S] [AND/OR UNEXPIRED LEASES]

PLEASE TAKE NOTICE that on [_____], 2020, the United States Bankruptcy Court for the Southern District of Texas (the "Court") entered an order (the "Procedures Order") in the above-referenced chapter 11 cases of above-captioned debtors and debtors in possession (collectively, the "Debtors"), establishing, among other things, procedures (the "Assumption Procedures") for the assumption of executory contracts and unexpired leases (the "Contracts").

PLEASE TAKE FURTHER NOTICE that, pursuant to the Procedures Order and by this written notice (this "Assumption Notice"), the Debtors hereby notify you that they have determined, in the exercise of their business judgment, that each Contract set forth on **Exhibit I** attached hereto is hereby assumed or assumed and assigned effective as of the date (the "Assumption Date") set forth in **Exhibit I**, or such other date as the Debtors and the counterparties to such Contracts agree.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

PLEASE TAKE FURTHER NOTICE that, the [Debtor/Assignee], has the financial wherewithal to meet all future obligations under the Contract, which may be evidenced upon written request by the counterparty to the Contract, thereby demonstrating that the [Debtor/Assignee] has the ability to comply with the requirements of adequate assurance of future performance.[2]

PLEASE TAKE FURTHER NOTICE that, parties seeking to object to the proposed assumption or assumption and assignment of any of the Contracts must file and serve a written objection so that such objection is filed with the Court and is actually received no later than fourteen days after the date that the Debtors served this Assumption Notice by the following parties: (i) the Debtors, 11211 Farm to Market 2920 Road, Tomball, Texas 77375, Attn: John Bakht (generalcounsel@bjservices.com); (ii) proposed counsel to the Debtors, (A) Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Samantha G. Lawrence (samantha.lawrence@kirkland.com) and Joshua M. Altman (josh.altman@kirkland.com), and (B) Gray Reed & McGraw LLP, 1300 Post Oak Boulevard, Suite 2000, Houston, Texas 77056, Attn.: Paul D. Moak (pmoak@grayreed.com) and Amber M. Carson (acarson@grayreed.com); (iii) the Office of The United States Trustee, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn.: Hector Duran (hector.duran.jr.@usdoj.gov) and Stephen Statham (stephen.statham@usdoj.gov); (iv) counsel to the Prepetition ABL Lenders, Sidley Austin LLP, One South Dearborn, Chicago, Illinois 60603, Attn: Dennis Twomey (dtwomey@sidley.com), Herschel Hamner (hhamner@sidley.com), and Alyssa Russell (alyssa.russell@sidley.com); and (v) counsel to the official committee of unsecured creditors (if any) appointed in these chapter 11 cases.

---

2 The Debtors shall serve the counterparty to the Contract with evidence of adequate assurance upon such counterparty's written request to Debtors' proposed counsel.

PLEASE TAKE FURTHER NOTICE that, absent an objection being timely filed, the assumption of each Contract shall become effective on the Assumption Date set forth in **Exhibit I**, or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree in accordance with the Procedures Order.[3]

PLEASE TAKE FURTHER NOTICE that, if an objection to the assumption of any Contract(s) is timely filed and not withdrawn or resolved, the Debtors shall file a notice for a hearing to consider the objection for such Contract(s). If such objection is overruled or withdrawn, such Contract(s) shall be assumed as of the Assumption Date set forth in **Exhibit I** or such other date as the Debtors and the counterparty or counterparties to such Contract agree in accordance with the Procedures Order.

[*Remainder of page intentionally left blank.*]

3 An objection to the assumption of any particular Contract listed in this Assumption Notice shall not constitute an objection to the assumption of any other contract or lease listed in this Assumption Notice. Any objection to the assumption of any particular Contract listed in this Assumption Notice must state with specificity the Contract to which it is directed. For each particular Contract whose assumption is not timely or properly objected to, such assumption will be effective in accordance with this Assumption Notice and the Procedures Order.

Houston, Texas
July 20, 2020

/s/ Draft

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Proposed Co-Counsel to the Debtors and Debtors in Possession

Case 20-33627 Document 194-1 Filed on 07/28/20 in TXSB Page 21 of 21

Exhibit I

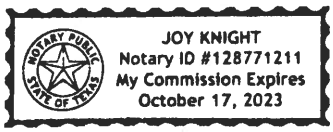
Assumed Contracts

Counterparty	Debtor Counterparty	Description of Contract[1]	Cure Amount	Assumption Date

1 The inclusion of a Contract on this list does not constitute an admission as to the executory or non-executory nature of the Contract, or as to the existence or validity of any claims held by the counterparty or counterparties to such Contract.

EXHIBIT 20

THIS IS **EXHIBIT "20"** REFERRED TO IN THE
AFFIDAVIT OF WARREN ZEMLAK
SWORN BEFORE ME THIS 12th DAY OF AUGUST, 2020



A NOTARY PUBLIC
IN AND FOR THE STATE OF TEXAS

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

In re:	)	Chapter 11
BJ SERVICES, LLC, *et al.*,[1]	)	Case No. 20-33627 (MI)
Debtors.	)	(Jointly Administered)

NOTICE OF REJECTION OF CERTAIN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

PLEASE TAKE NOTICE that on July 29, 2020, the United States Bankruptcy Court for the Southern District of Texas (the "Court") entered an order [Docket No. 219] (the "Procedures Order") in the above-referenced chapter 11 cases of the above-captioned debtors and debtors in possession (collectively, the "Debtors") establishing, among other things, procedures (the "Rejection Procedures") for the rejection of executory contracts and unexpired leases.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Procedures Order and by this written notice (this "Rejection Notice"), the Debtors hereby provide notice that they have determined, in the exercise of their business judgment, that each contract set forth on **Exhibit I** attached hereto (collectively, the "Contracts," and each a "Contract") is hereby rejected effective as of the date (the "Rejection Date") set forth in **Exhibit I**, or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree in accordance with the Procedures Order.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BJ Services, LLC (3543); BJ Management Services, L.P. (8396); BJ Services Holdings Canada, ULC (6181); and BJ Services Management Holdings Corporation (0481). The Debtors' service address is: 11211 Farm to Market 2920 Road, Tomball, Texas 77375.

PLEASE TAKE FURTHER NOTICE that parties seeking to object to the proposed rejection of any of the Contracts must file and serve a written objection so that such objection is filed with the Court on the docket of the Debtors' chapter 11 cases no later than fourteen (14) days after the date the Debtors serve the relevant Rejection Notice.

PLEASE TAKE FURTHER NOTICE that, absent an objection being timely filed, the rejection of each Contract shall become effective on the Rejection Date set forth in **Exhibit I**, or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree.[2]

PLEASE TAKE FURTHER NOTICE that, if an objection to the rejection of any Contract is timely filed and not withdrawn or resolved, the Debtors shall request that the Court set a hearing to consider the objection for the Contract(s) to which such objection relates. If such objection is overruled or withdrawn, such Contract(s) shall be rejected as of the Rejection Date set forth in **Exhibit I** or such other date as the Debtors and the counterparty or counterparties to such Contract(s) agree in accordance with the Procedures Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Procedures Order, if the Debtors have deposited monies with a Contract counterparty as a security deposit or other arrangement, the Contract counterparty may not set off or recoup or otherwise use such monies without further order of the Court, unless the Debtors and the counterparty or counterparties to such Contracts otherwise agree in accordance with the Procedures Order.

[2] An objection to the rejection of any particular Contract listed in this Rejection Notice shall not constitute an objection to the rejection of any other contract or lease listed in this Rejection Notice. Any objection to the rejection of any particular Contract listed in this Rejection Notice must state with specificity the Contract to which it is directed. For each particular Contract whose rejection is not timely or properly objected to, such rejection will be effective in accordance with this Rejection Notice and the Procedures Order.

PLEASE TAKE FURTHER NOTICE that, absent timely objection, any personal property of the Debtors that is listed and described in **Exhibit I** shall be deemed abandoned as of the Rejection Date.

PLEASE TAKE FURTHER NOTICE that to the extent you wish to assert a claim(s) with respect to rejection of your Contract(s), you must do so by the later of: (a) the claims bar date established in these chapter 11 cases, if any; (b) 30 days after the Rejection Date; and (c) any date established by further order of the Court. FAILURE TO ASSERT SUCH CLAIMS ON TIME WILL RESULT IN SUCH CLAIMS BEING FOREVER BARRED.

[*Remainder of page intentionally left blank*]

Houston, Texas
July 31, 2020

/s/ Paul D. Moak

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Proposed Co-Counsel to the Debtors and Debtors in Possession

Exhibit I

Rejected Contracts

Counterparty	Debtor Counterparty	Description of Contract[1]	Counterparty Address	Abandoned Personal Property	Rejection Date
1. Hi-Crush	BJ Services, LLC	Northern white frac sand product supplier	Three Riverway, Suite 1350 Houston, TX 77056		7/31/2020
2. Wisconsin Proppant	BJ Services, LLC	Mesh frac sand supplier	1200 Enclave Parkway MD 323 Houston, TX 77077		7/31/2020
3. Target Logistics	BJ Services, LLC	Provide lodging/rooms	2170 Buckthorne Place Suite 440 The Woodlands, TX 77380		7/31/2020
4. DI Silica	BJ Services, LLC	Northern white frac sand product supplier	Three Riverway Suite 1350 Houston, TX 77056		7/31/2020
5. Workiva	BJ Services, LLC	Financial Reporting Software	2900 University Blvd. Ames, IA 50010		7/31/2020
6. US Fidelity Investments Institutional Operations Co, Inc.	BJ Services, LLC	Equity options management	200 Seaport Blvd Boston, MA 02210		7/31/2020
7. Achievers	BJ Services, LLC	Benefits	600 California St. Floor 11 San Francisco, CA 94108		7/31/2020
8. Thomson Reuters	BJ Services, LLC	Financial and tax consulting	2395 Midway Rd. Carrollton, TX 75006		7/31/2020
9. Polaris labs	BJ Services, LLC	Oil Analysis Lab	7451 Winton Drive Indianapolis, IN 46268		7/31/2020
10. Synapse	BJ Services, LLC	Instructional Design Program	701 Brazos St. Suite 1616 Austin, TX 78701		7/31/2020
11. Docebo	BJ Services, LLC	E-learning software	600 N. Thomas St. Suite A Athens, GA 30601		7/31/2020

[1] The inclusion of a Contract on this list does not constitute an admission as to the executory or non-executory nature of the Contract, or as to the existence or validity of any claims held by the counterparty or counterparties to such Contract.

12. Patsnap	BJ Services, LLC	IP Software	40 King Street West Toronto, ON M5H 4A9		7/31/2020
13. NASDAQ, Inc.	BJ Services, LLC	IR platform	One Liberty Plaza New York, NY 10006		7/31/2020