

COURT FILE NUMBER

24-2806908

COURTCOURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY**JUDICIAL CENTRE**

EDMONTON

DOCUMENTSECOND REPORT OF THE TRUSTEE
IN THE MATTER OF S. 50.4(9) OF THE
BANKRUPTCY AND INSOLVENCY ACT,
R.S.C., 1985, c. B-3IN THE MATTER OF THE NOTICE INTENTION TO
MAKE A PROPOSAL OF 915245 AB LTD.
OPERATING AS PRAIRIE TECH OILFIELD SERVICE
DATED APRIL 25, 2022**ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT**

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TRUSTEE:

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Appendix 'B' – Revised Cash-Flow Projection for the 13 weeks ending July 15, 2022

Introduction

1. On February 22, 2022 (the "**NOI Date**"), 915245 AB Ltd., operating as Prairie Tech Oilfield Service (the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant s. 50.4(1) of the *Bankruptcy and Insolvency Act* ("**BIA**"). Deloitte Restructuring Inc. (the "**Trustee**") was appointed Licensed Insolvency Trustee.
2. This report is being filed in accordance with subsection 50.4(7)(b)(ii) of the BIA, as the Company is making an application to Court for a further extension of time for filing its proposal, as provided for in subsection 50.4(9) of the BIA.
3. The Company is a corporation registered in Alberta and Mr. Dwayne Vogel is the director of the Company.
4. On March 21, 2022, the Company applied for, and this Honourable Court granted, an Order (the "**First Extension Order**"):
 - 4.1.1. Extending the time for the Company to make a proposal to its creditors to May 5, 2022; and
 - 4.1.2. Establishing the Electronic Case Information Service Protocol.
5. Information on the NOI proceedings can be accessed on the Trustee's website (the "**Trustee's Website**") at www.insolvencies.deloitte.ca under the link "915245 AB Ltd., operating as Prairie Tech Oilfield Service".

Notice to reader

6. In preparing this report, the Trustee has relied on unaudited financial information, the books and records of the Company, and discussions with the Company's management ("**Management**"), interested parties, and stakeholders. The Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook. The Trustee expresses no opinion or other form of assurance with respect to

the accuracy of any financial information presented in this report or relied upon by the Trustee in preparing this report.

7. Certain of the information referred to herein consists of financial forecasts and/or projections. The financial forecasts included in this report are the responsibility of Management. Management's responsibility extends beyond ensuring that the individual assumptions used to prepare the financial forecasts are appropriate in the circumstances and to ensure that the assumptions as a whole are appropriate. While the Trustee has reviewed the information, the Trustee has not performed an audit or other verification of such information. The Trustee expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in the financial forecasts or relied upon by it in reporting on the financial forecasts. Future oriented financial information included in this report is based upon Management's assumptions regarding future events. Actual results achieved may vary and these variations may be material.
8. The Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this report. Any use, which any party makes of this report, or any reliance or decision to be made based on this report, is the sole responsibility of such party.

Currency

9. All amounts included herein are in Canadian dollars unless otherwise stated.

Purpose of this report

10. The purpose of this second report of the Trustee (the "**Second Report**") is to provide the Court with:
 - 10.1. Information regarding the Trustee's activities since the First Report;
 - 10.2. Information regarding the Company's restructuring efforts since the First Report; and
 - 10.3. The Trustee's position with respect to the Company's application for a further extension of time to make a proposal.

Activities of the Trustee

11. Since the First Report, the Trustee has performed the following activities:
 - 11.1. Attended various meetings and teleconferences with Management and the Company's legal counsel to discuss the Company's restructuring efforts;
 - 11.2. Served the First Extension Order and an explanatory notice of the Electronic Case Information Service Protocol upon all known creditors of the Company, as directed by the Court in the First Extension Order;
 - 11.3. Posted up-to-date Service Lists and Replevin Order information to the Trustee's Website as received from the Company's counsel pursuant to the Electronic Case Information Service Protocol;
 - 11.4. Reviewed the Company's revised and updated cash-flow projections, and filed same with the Office of the Superintendent of Bankruptcy;
 - 11.5. Monitored the affairs and cash-flow of the Company on a weekly basis;
 - 11.6. Liaised with creditors and responded to queries with respect to the restructuring process;
 - 11.7. Made inquires of Management and requested certain records of the Company in support of the monitoring program pertaining to the Company's operations, liabilities, and cash-flow projections; and
 - 11.8. Prepared, reviewed, and finalized this Second Report.

Monitoring

12. The Trustee set up a monitoring program for the Company and since the filing of the NOI, the Company has complied with the filing of weekly monitoring reports and has been diligent in responding to Trustee queries resulting therefrom.
13. The Company has remained current with its payroll source deduction remittances and GST obligations after the NOI Date, and the Trustee continues to monitor the Company's compliance with respect to same.

Receipts and disbursements for the seven (7) week period ended April 15, 2022

14. The Company's actual receipts and disbursements for the seven (7) week period beginning February 26, 2022 to April 15, 2022, compared to the Company's revised cash-flow projection for the same period is set out in the variance analysis attached as Appendix 'A' to this Second Report.

15. The Company generated a net cash-flow loss of \$349,162 as compared to the forecast of \$271,984, for a negative variance of \$621,145. The Trustee makes the following comments with respect to the variance analysis:
 - 15.1. Accounts receivable collections were less than forecasted by \$331,214 and Management indicates that this is a timing issue and that cash collections fluctuate from period to period;
 - 15.2. Revenues have been negatively impacted by the seizure of certain assets, as detailed later in this Second Report;
 - 15.3. Actual repair costs exceeded forecast by \$153,209 for the seven week period as it is difficult to predict with certainty repairs that may be required on equipment. Management has indicated that any major repairs required on equipment are on hold until positive cash-flow is realized or a shareholder capital injection is necessary;
 - 15.4. Subcontractors, salaries and wages exceeded estimates by \$147,001 due to a delay in expected right-sizing of the Company's workforce, as well as an increase in driver's wages due to the competitive market;
 - 15.5. Professional fees were lower than estimated due to the timing of invoices by legal counsel and the Trustee;
 - 15.6. Fuel costs and utilities were exceeded forecasted amounts by a total of \$118,291 due to an increase in commodity prices over the reported period;
 - 15.7. Rent and Equipment Rent were lower than estimated due to the Company deferring payments to related parties in order to minimize the impact to the Company's cash-flow; and
 - 15.8. With respect to the loss from operations experienced by the Company during the seven week period, the Trustee is of the opinion that Management is

making the necessary adjustments to operations, including the need for capital injections from related parties, to ensure the viability of the Company.

Company's restructuring efforts

16. The Company has been operating under the NOI for less than ten weeks, as of the date of this Second Report, and Management's efforts have been concentrated on:

- 16.1. Attending teleconferences with its legal counsel and the Trustee to discuss the operations of the Company and to consider options with respect to initiating discussions with key creditors;
- 16.2. Stabilizing the Company's operations and relationships with creditors following the NOI Date;
- 16.3. Preparing cash-flow projections;
- 16.4. Cooperating with the Trustee in establishing the Trustee's monitoring program, which includes, but is not limited to, monitoring actual cash-flow against projected cash-flow, disbursements, CRA remittances for payroll source deductions and GST, as well as operational results for the Company, generally; and
- 16.5. Corresponding with creditors regarding certain seized assets and assisting legal counsel with applications to Court which sought Replevin Orders to stay the seizure and sale of certain of the Company's assets held with third parties.

17. The Company has prepared a revised cash-flow projection for the thirteen (13) weeks commencing April 22, 2022 to July 15, 2022, which is attached to this Second Report as Appendix 'B'.

18. The Company anticipates being able to continue to meet its obligations in the normal course and will continue to receive capital injections from a related party to address any cash shortfalls at this time. Over the thirteen (13) week projection period ending July 15, 2022, the Company anticipates a net cash-outflow of approximately \$3,256,685 with an ending cash balance of approximately \$153,652 as at July 15, 2022.

19. The Company has advised the Trustee that it does not anticipate that it will be in a position to file a proposal to its creditors before the stay expires on May 5, 2022, and

that it intends to seek an extension of the NOI proceedings. The Company and its legal counsel have not been able to have discussions with key creditors due, in part, to continued litigation against third party asset seizures hindering the Company's ability to work and focus on the preparation of the proposal.

Replevin Orders

20. The Trustee was informed by the Company's legal counsel, DLA Piper LLP, that 1635623 Alberta Inc. operating as Adrenaline Diesel (the "**Adrenaline**") is in possession of a tractor unit (the "**Peterbilt**") and that Adrenaline had indicated that it intended to realize on the Peterbilt as a result of unpaid repair bills. The Company's legal counsel informed Adrenaline of the stay of proceedings under section 69(1)(a) of the *BIA* and further demanded the return of the Peterbilt. Adrenaline failed to return the Peterbilt and as a result, an application was brought forward by the Company to the Court of Queen's Bench of Alberta on April 6, 2022, for among other things, the return of the Peterbilt and a declaration that Adrenaline maintains a valid claim of lien against the Peterbilt, pursuant to Section 2(1) of the *Garage Keepers' Lien Act* RSA 2000, c G-2. At the time of this Second Report, a decision has yet to be rendered by the Honourable Mr. Justice Michael Lema.

21. The Trustee was informed by the Company's legal counsel, DLA Piper LLP, that Bonnie's Equipment and Service Ltd. (the "**Bonnie's**") is in possession of four oil trailers (collectively, the "**Oil Trailers**") and that Bonnie's had indicated that it intended to realize on the Oil Trailers as a result of unpaid repair bills. The Company's legal counsel informed Bonnie's of the stay of proceedings under section 69(1)(a) of the *BIA* and further demanded the return of the Oil Trailers. Bonnie's failed to return the Oil Trailers and as a result, an application was brought forward by the Company to the Court of Queen's Bench of Alberta on April 6, 2022, for among other things, the return of the Oil Trailers and a declaration that Bonnie's maintains a valid claim of lien against the Oil Trailers, pursuant to Section 2(1) of the *Garage Keepers' Lien Act* RSA 2000, c G-2. At the time of this Second Report, a decision has yet to be rendered by the Honourable Mr. Justice Michael Lema.

Conclusion and recommendations

22. The Company is seeking an extension of time to make its proposal for a further forty-five (45) days to June 18, 2022. The Trustee agrees that the relief being requested by the Company is appropriate for the following reasons:

- 22.1. At all times since the NOI Date, the Company has acted, and is acting in good faith, and with due diligence;
- 22.2. The Company is likely to make a viable proposal if a further extension being applied for is granted; and
- 22.3. No creditor would be materially prejudiced if the requested further extension is granted.

23. The Trustee therefore respectfully recommends that this Honourable Court grant an Order further extending the time for the Company to make a proposal to June 18, 2022, or such other date as may be directed by the Court.

All of which is respectfully submitted this 25th day of April, 2022.

DELOITTE RESTRUCTURING INC.,

In its capacity as Licensed Insolvency Trustee
acting in *re* the Notice of Intention of
915245 AB Ltd. operating as Prairie Tech Oilfield Service
And not in its personal capacity



Darren Crocker, CPA, CGA, CIRP, LIT
Senior Vice-President

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA IN
BANKRUPTCY AND INSOLVENCY**

Appendix 'A'

District of Alberta

Division No.: 01-Edmonton

Court No.: 24-2806908

Estate No.: 24-2806908

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF
915245 AB LTD. OPERATING AS PRAIRIE TECH OILFIELD
SERVICE
OF THE TOWN OF ELK POINT, IN THE PROVINCE OF
ALBERTA**

**PROJECTED CASH-FLOW (REVISED) VS. ACTUAL RESULTS
REPORTED FOR THE PERIOD OF FEBRUARY 26, 2022 TO
APRIL 15, 2022**

CDN\$ unaudited Week ending:	Revised Forecast Total	Actual Total	Variance
Operating receipts			
Accounts receivable	\$ 2,034,883	\$ 1,703,670	\$ (331,213)
Total operating receipts	\$ 2,034,883	\$ 1,703,670	\$ (331,213)
Operating disbursements			
Repairs	152,000	305,209	(153,209)
Salaries and wages	100,000	128,102	(28,102)
Payroll source remittances	23,464	25,429	(1,966)
Subcontractors	292,533	411,432	(118,899)
Insurance	61,322	91,053	(29,731)
Rent	24,500	11,463	13,037
Utilities	18,278	34,758	(16,479)
Professional fees	54,167	7,665	46,502
Fuel	520,121	621,933	(101,812)
Equipment Rent	481,515	408,855	72,660
Contingency	35,000	6,934	28,066
Total operating disbursements	\$ 1,762,900	\$ 2,052,832	\$ (289,932)
Cash from operations	\$ 271,983	\$ (349,162)	\$ (621,145)

IN THE COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY

APPENDIX 'B'

District of Alberta
Division No.: 01-Edmonton
Court No.: 24-2806908
Estate No.: 24-2806908

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
915245 AB LTD. OPERATING AS PRAIRIE TECH OILFIELD SERVICE
OF THE TOWN OF ELK POINT, IN THE PROVINCE OF ALBERTA

STATEMENT OF PROJECTED CASH-FLOW
FOR THE PERIOD OF APRIL 16, 2022 TO JULY 15, 2022

CDN\$ unaudited	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Wk #	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Week ending:	22-Apr-22	29-Apr-22	6-May-22	13-May-22	20-May-22	27-May-22	3-Jun-22	10-Jun-22	17-Jun-22	24-Jun-22	1-Jul-22	8-Jul-22	15-Jul-22	
Operating receipts														
Accounts receivable	235,137	215,600	235,200	254,800	274,400	274,400	274,400	274,400	274,400	274,400	274,400	274,400	274,400	3,410,337
Total operating receipts	235,137	215,600	235,200	254,800	274,400	274,400	274,400	274,400	274,400	274,400	274,400	274,400	274,400	3,410,337
Operating disbursements														
Repairs	23,333	23,333	23,333	23,333	23,333	23,333	23,333	23,333	23,333	23,333	23,333	23,333	23,333	303,333
Salaries and wages	25,000	-	25,000	-	25,000	-	25,000	-	25,000	-	25,000	-	25,000	175,000
Payroll source remittances	9,101	-	-	6,666	-	6,666	-	6,666	-	6,666	-	6,666	-	42,431
Subcontractors	74,323	15,000	50,000	15,000	50,000	15,000	50,000	15,000	50,000	15,000	50,000	15,000	50,000	464,323
Insurance	56,322	-	5,000	-	-	56,322	-	5,000	-	56,322	-	5,000	-	183,966
Rent	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	45,500
Utilities	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	39,000
Professional fees	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	34,125
Fuel	78,169	77,616	84,672	91,728	98,784	98,784	98,784	98,784	98,784	98,784	98,784	98,784	98,784	1,221,241
Equipment Rent	64,408	64,408	64,408	64,408	52,293	52,293	52,293	52,293	52,293	52,293	52,293	52,293	52,293	728,265
Contingency	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	19,500
Total operating disbursements	341,282	190,982	263,038	211,760	260,035	263,023	260,035	211,701	260,035	206,701	316,357	206,701	265,035	3,256,685
Cash from operations	(106,145)	24,618	(27,838)	43,040	14,365	11,377	14,365	62,699	14,365	67,699	(41,957)	67,699	9,365	153,652

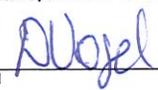
This Revised Statement of Projected Cash-Flow is prepared in accordance with Subsection 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on Cash-Flow Statement.

Dated this 22nd day of April, 2022

DELOITTE RESTRUCTURING INC.
In its capacity as Trustee in re: The Notice of Intention to Make a Proposal of
915245 AB Ltd. o/a Prairie Tech Oilfield Service
and not in its personal capacity

915245 AB Ltd. o/a Prairie Tech Oilfield Service

Per: 
Darren Crocker, CPA, CGA, CIRP, LIT
Senior Vice-President

Per: 
Dwayne Vogel
Director

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2806908
Estate No. 24-2806908

-- FORM 29 --
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
915245 AB Ltd Operating As Prairie Tech Oilfield Service

The attached statement of projected cash flow of 915245 AB Ltd Operating As Prairie Tech Oilfield Service, as of the 22nd day of April 2022, consisting of weekly projections for the period of April 22, 2022 to July 15, 2022., has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Edmonton in the Province of Alberta, this 22nd day of April 2022.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



1500 Manulife Place, 10180 - 101 Street
Edmonton AB T5J 4K1
Phone: (780) 401-3913 Fax: (780) 421-3782

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2806908
Estate No. 24-2806908

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
915245 AB Ltd Operating As Prairie Tech Oilfield Service

Purpose:

This Statement of Projected Cash-Flow is prepared in accordance with Subsection 50.4(2) of the Bankruptcy and Insolvency Act.

Projection Notes:

Any deficient period will be met with a cash capital injection by a related party.

Assumptions:

Creditors take no steps to terminate the stay of proceedings.

The Company is able to fulfil the terms of its financial obligations.

The Company is supported by its critical vendors throughout the proposal proceedings.

Dated at the City of Edmonton in the Province of Alberta, this 22nd day of April 2022.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



1500 Manulife Place, 10180 - 101 Street

Edmonton AB T5J 4K1

Phone: (780) 401-3913 Fax: (780) 421-3782

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2806908
Estate No. 24-2806908

- FORM 30 -
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
915245 AB Ltd Operating As Prairie Tech Oilfield Service

The Director of 915245 AB Ltd Operating As Prairie Tech Oilfield Service, has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 22nd day of April 2022, consisting of weekly projections for the period of April 22, 2022 to July 15, 2022..

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

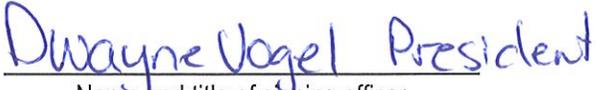
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the Town of Elk Point in the Province of Alberta, this 22nd day of April 2022.



915245 AB Ltd Operating As Prairie Tech
Oilfield Service
Debtor



Name and title of signing officer

Name and title of signing officer

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2806908
Estate No. 24-2806908

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
915245 AB Ltd Operating As Prairie Tech Oilfield Service

Purpose:

This Statement of Projected Cash-Flow is prepared in accordance with Subsection 50.4(2) of the Bankruptcy and Insolvency Act.

Projection Notes:

Any deficient period will be met with a cash capital injection by a related party.

Assumptions:

Creditors take no steps to terminate the stay of proceedings.
The Company is able to fulfil the terms of its financial obligations.
The Company is supported by its critical vendors throughout the proposal proceedings.

Dated at the Town of Elk Point in the Province of Alberta, this 22nd day of April 2022.



915245 AB Ltd Operating As Prairie Tech
Oilfield Service