



ENTERED  
07/13/2020

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

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

**ORDER (I) AUTHORIZING DEBTORS TO PAY CERTAIN PREPETITION CLAIMS OF SHIPPERS, LIEN CLAIMANTS, AND ROYALTY INTEREST OWNERS, (II) CONFIRMING ADMINISTRATIVE EXPENSE PRIORITY OF UNDISPUTED AND OUTSTANDING PREPETITION ORDERS, AND (III) GRANTING RELATED RELIEF**

[Relates to Motion at Docket No. 12 ]

Upon the motion (the "**Motion**")<sup>2</sup> of the Debtors for an Order (i) authorizing the Debtors to pay the Shipping Claims, Lien Claims, and Royalty Payments, as provided in the Motion; (ii) confirming the administrative expense priority status of Outstanding Orders and authorizing the Debtors to pay prepetition amounts related to the Outstanding Orders; and (iii) granting related relief; and the Court having reviewed the Motion and the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States

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

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



Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and all objections, if any, to entry of this Order having been withdrawn, resolved, or overruled; and upon the record herein; and after due deliberation thereon; and the Court having determined that there is good and sufficient cause for the relief granted in the Order, it is hereby

**ORDERED THAT:**

1. The Debtors are authorized, but not directed, to pay the prepetition Shipping Claims, Lien Claims, and Royalty Payments in the ordinary course of business and consistent with prepetition practices.

2. All undisputed obligations related to the Outstanding Orders for goods that are delivered after the filing of the Debtors' petitions in the Chapter 11 Cases are granted administrative expense priority status in accordance with section 503(b)(1)(A) of the Bankruptcy Code.

3. The Debtors are authorized, but not directed, to pay all undisputed obligations related to the Outstanding Orders in the ordinary course of business and consistent with prepetition practices.

4. Each of the Banks at which the Debtors maintain their accounts relating to the payment of the Shipping Claims, Lien Claims, and Royalty Payments, are authorized to (i) receive, process, honor, and pay all checks presented for payment and to honor all fund transfer requests made by the Debtors related thereto, to the extent that sufficient funds are on deposit in those accounts, and (ii) accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in

accordance with this or any other order of the Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

5. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers, on account of Shipping Claims, Lien Claims, and Royalty Payments as set forth herein and to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Debtors' Chapter 11 Cases.

6. Nothing in the Motion or this Order, or the Debtors' payment of any claims pursuant to this Order, shall be construed as: (i) an admission as to the validity of any claim against any Debtor or the existence of any lien against the Debtors' properties; (ii) a waiver of the Debtors' rights to dispute any claim or lien on any grounds; (iii) a promise to pay any claim; (iv) an implication or admission that any particular claim would constitute an allowed claim; (v) an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code; or (vi) a limitation on the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract with any party subject to this Order. Nothing contained in this Order shall be deemed to increase, decrease, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it may be owed.

7. Notwithstanding anything to the contrary contained herein, (i) any payment made, or to be made, or authorization contained hereunder shall be subject to the requirements imposed on the Debtors under any order approving a postpetition financing facility or any order regarding the use of cash collateral approved by this Court in these Chapter 11 Cases (collectively, the "**DIP Orders**"), and (ii) to the extent there is any inconsistency between the terms of the DIP Orders and any action taken or proposed to be taken hereunder, the terms of the DIP Orders shall control.

For the avoidance of doubt, the Debtors are not authorized to make any payments pursuant to this Order except as permitted by the Budget (as defined in the DIP Orders).

8. As a condition to receiving any payment under this Order, a payee shall maintain or apply, as applicable, Customary Terms. The Debtors shall use reasonable efforts to confirm that all payees agree to maintain or apply the Customary Terms as a condition to receiving a payment under this Order. If a payee, after receiving a payment under this Order, ceases to provide Customary Terms, then the Debtors may, in their sole discretion, deem such payment to apply instead to any postpetition amount that may be owing to such payee or treat such payment as an avoidable postpetition transfer of property.

9. The Debtors shall maintain a matrix/schedule of amounts directly or indirectly paid, subject to the terms and conditions of this Order, including the following information: (a) the names of the payee; (b) the amount of the payment; (c) the category or type of payment, as further described and classified in the Motion; (d) the Debtor or Debtors that made the payment; and (e) the payment date. The Debtors shall provide a copy of such matrix/schedule to the U.S. Trustee, the Ad Hoc Group and any statutory committee appointed in these Chapter 11 Cases every 30 days beginning upon entry of this Order.

10. Nothing herein shall impair or prejudice the rights of the U.S. Trustee and the 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, 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.

11. Nothing herein shall impair or prejudice the rights of the U.S. Trustee, the Ad Hoc Group, 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, 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, the Ad Hoc Group, 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.

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

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

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

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

**Signed: July 13, 2020.**

  
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**DAVID R. JONES**  
**UNITED STATES BANKRUPTCY JUDGE**

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

District/off: 0541-4

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

Date Rcvd: Jul 14, 2020

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

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

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

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

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

TOTALS: 6, \* 0, ## 0

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

Transmission times for electronic delivery are Eastern Time zone.

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

Date: Jul 16, 2020

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

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

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

District/off: 0541-4

User: emiller  
Form ID: pdf002

Page 2 of 2  
Total Noticed: 3

Date Rcvd: Jul 14, 2020

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

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

TOTAL: 36