

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

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In re: : Chapter 11
: :
HI-CRUSH PERMIAN SAND LLC, *et al.*,¹ : Case No. 20-33505 (DRJ)
: (Jointly Administered)
Reorganized Debtors. : (Formerly Jointly Administered under Lead
: Case: Hi-Crush Inc., Case No. 20-33495)²
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REORGANIZED DEBTORS' EMERGENCY MOTION FOR ENTRY OF AN ORDER EXTENDING THE TIME TO FILE AND SERVE OBJECTIONS TO CLAIMS

Emergency relief has been requested.

If you object to the requested relief or you believe that emergency consideration is not warranted, you must file a written response prior to the below date by which relief is requested. Otherwise, the court may treat the request as unopposed and grant the relief requested.

Relief is requested not later than July 6, 2021.

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

¹ The Reorganized Debtors in these cases, along with the last four digits of each Reorganized 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 Reorganized Debtors' address is 1330 Post Oak Blvd, Suite 600, Houston, Texas 77056.

² On December 11, 2020, the Court entered the *Final Decree Closing Certain of the Chapter 11 Cases* [Case No. 20-33495, Docket No. 505], which closed each Reorganized Debtor's case except for Hi-Crush Permian Sand LLC, Case No. 20-33505, and directed that all further filings be made in that case.



EMERGENCY RELIEF REQUESTED

1. The Reorganized Debtors seek entry of an order, substantially in the form attached hereto (the “**Order**”), extending the Claim Objection Deadline by 90 days from the present deadline of July 6, 2021, through and including October 4, 2021, without prejudice to the rights of the Reorganized Debtors to request further extensions of the Claim Objection Deadline to the extent provided by the *Joint Plan of Reorganization for Hi-Crush Inc. and Its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code* [Docket No. 289]³ (as amended, modified, and supplemented, the “**Plan**”).⁴

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, and this Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The basis for the relief requested herein is section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), rule 9006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “**Local Rules**”), and the Procedures for Complex Cases in the Southern District of Texas.

³ All references to “Docket No.” refer to the docket in the former lead case of Hi-Crush Inc., Case No. 20-33495 unless otherwise indicated.

⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Plan.

BACKGROUND

4. On July 12, 2020 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief in this Court commencing cases (the “**Chapter 11 Cases**”) under chapter 11 of the Bankruptcy Code. The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the *Declaration of J. Philip McCormick, Jr., Chief Financial Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 24] (the “**First Day Declaration**”), filed on the Petition Date.

5. On September 23, 2020, the Court entered the *Findings of Fact, Conclusions of Law and Order Confirming the Plan of Reorganization for Hi-Crush Inc. and Its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code* [Docket No. 420] (the “**Confirmation Order**”) confirming the Plan.

6. The Plan provides that the Reorganized Debtors are authorized to object to scheduled claims and proofs of claim and interests. See Plan Article VIII. On October 9, 2020, the Plan was substantially consummated, and the Effective Date (as defined in the Plan) occurred.⁵

7. On July 13, 2020, the Court entered the *Order (I) Establishing (A) Bar Dates and (B) Related Procedures for Filing Proofs of Claim, (II) Approving the Form and Manner of Notice Thereof and (III) Granting Related Relief* [Docket No. 88] (the “**Bar Date Order**”) pursuant to which the Court, among other things, established August 16, 2020, at 5:00 p.m. (prevailing Central

⁵ See *Notice of (I) Effective Date of the Joint Plan or Reorganization for Hi-Crush Inc. and its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code and (II) Establishing Deadline for the Filing of Administrative Claims Against the Debtors* [Docket No. 452].

Time) (the “**General Bar Date**”), as the deadline for all non-governmental entities⁶ holding or wishing to assert a “claim” (as defined in section 101(15) of the Bankruptcy Code).

CLAIM OBJECTION AND RECONCILIATION PROCESS

8. The Plan provides that the Claim Objection Deadline is to be the later of 180 days following the Effective Date or “such other date as may be specifically fixed by Final Order of the Bankruptcy Court for objecting to such claim.”⁷ As the Effective Date occurred on October 9, 2020, the original Claim Objection Deadline was April 7, 2021. On April 1, 2021, the Reorganized Debtors’ filed a motion (the “**First Extension Motion**”) [Case No. 20-33505, Docket No. 76] seeking to extend the Claims Objection Deadline to July 6, 2021. That same day, the Court entered an order [Case No. 20-33505, Docket No. 77] granting the First Extension Motion, and the Claim Objection Deadline is currently July 6, 2021.

9. Since the Effective Date, the Reorganized Debtors and their advisors have been diligently working to reconcile the over 800 claims filed in these Chapter 11 Cases. To date, the Reorganized Debtors have filed 14 omnibus claim objections as well as multiple individual claim objections resolving several hundred Disputed Claims in these Chapter 11 Cases. The Reorganized Debtors have also consensually resolved numerous other claims.

10. As set forth in the First Extension Motion, while the Reorganized Debtors worked diligently to complete the claims resolution process, it became clear that certain claims would not be able to be resolved before the original Claim Objection Deadline. In particular, certain of the

⁶ The deadline for all governmental units asserting a “claim” (as defined in section 101(15) of the Bankruptcy Code) against the Reorganized Debtors that arose on or prior to the Petition Date to file written proof of such claim was January 8, 2021, at 5:00 p.m. (prevailing Central Time) (together with the General Bar Date, the “**Bar Dates**”).

⁷ Plan, Art. I.B.

claims filed by taxing authorities involved ongoing audits that would not be concluded by April 7, 2021. As a result, the Reorganized Debtors filed the First Extension Motion.

11. Since the entry of the order granting the First Extension Motion, the Reorganized Debtors have worked diligently to resolve the remaining claims. Most of the remaining claims have either been resolved or, with respect to claims related to ongoing audits, are subject to stipulations extending the time to object to those claims. However, a few claims remain that the Reorganized Debtors have not yet been able to resolve or extend the objection deadline by stipulation. As a result, it is necessary to extend the Claim Objection Deadline. At this time, the Reorganized Debtors are requesting a 90-day extension of the Claim Objection Deadline to October 4, 2021.

BASIS FOR RELIEF

12. Section 105(a) of the Bankruptcy Code provides that the Court may issue an order that is necessary or appropriate to carry out the provisions of the Bankruptcy Code.⁸ Pursuant to Bankruptcy Rule 9006(b)(1), “when an act is required or allowed to be done at or within a specified period . . . by order of the court, the court for cause may at any time in its discretion . . . with or without motion or notice order the period enlarged if the request therefore is made before the expiration of the period originally prescribed.”⁹ As set forth above, the Plan also provides for an extended Claim Objection Deadline to be set by order of the Court.¹⁰

13. To allow the Reorganized Debtors sufficient time to review the remaining filed proofs of claim against the Debtors, the Reorganized Debtors respectfully request an extension of the Claim Objection Deadline by 90 days, through and including October 4, 2021. Rather than

⁸ 11 U.S.C. § 105(a).

⁹ Fed. R. Bankr. P. 9006(b)

¹⁰ Plan, Art. I.B.

objecting to claims merely to satisfy the current Claim Objection Deadline, the Reorganized Debtors believe it is in the best interests of all parties in interest to continue the review and reconciliation process.

14. An extension of the Claim Objection Deadline will ensure that the Reorganized Debtors complete the claim reconciliation process, do not unnecessarily forfeit valid defenses to claims, do not expend resources in objecting to claims that could otherwise be resolved consensually, and do not otherwise permit claims to be allowed in amounts that are not justified. Accordingly, the Reorganized Debtors respectfully submit that an extension of the Claim Objection Deadline by 90 days, through and including October 4, 2021, is authorized by the Bankruptcy Code and the terms of the Plan, and should be granted.

EMERGENCY CONSIDERATION

15. The Reorganized Debtors respectfully request emergency consideration of this Motion in accordance with Local Rule 9013-1. Emergency relief is requested to ensure relief is granted before the Claim Objection Deadline passes, which will take place in less than 21 days from the filing of this Motion. Prior to the filing of this Motion, the Debtors did not anticipate seeking an extension of the Claim Objection Deadline. As described in further detail above, the relief requested herein concerns a deadline and related procedures of immediate importance, where the extension of such deadline is ultimately for the benefit of the Reorganized Debtors and all parties in interest. Failure to receive the relief requested herein would disrupt the Reorganized Debtors' ongoing claims reconciliation process. Accordingly, the Reorganized Debtors respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

Dated: July 2, 2021
Houston, Texas

Respectfully Submitted,

/s/ Philip M. Guffy

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Counsel for the Reorganized Debtors

CERTIFICATE OF SERVICE

I certify that on July 2, 2021, 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/ Philip M. Guffy _____
Philip M. Guffy

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

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 In re: : Chapter 11
 :
 HI-CRUSH PERMIAN SAND LLC, *et al.*,¹ : Case No. 20-33505 (DRJ)
 : (Jointly Administered)
 Reorganized Debtors. : (Formerly Jointly Administered under Lead
 : Case: Hi-Crush Inc., Case No. 20-33495)²
 ----- X

**ORDER GRANTING REORGANIZED DEBTORS’
EMERGENCY MOTION FOR ENTRY OF AN ORDER
EXTENDING THE TIME TO FILE AND SERVE OBJECTIONS TO CLAIMS**
[Relates to Docket No. ____]

Upon the Motion (the “**Motion**”)³ of the above-captioned reorganized debtors (collectively, the “**Reorganized Debtors**”) seeking entry of an order (this “**Order**”) extending the Claim Objection Deadline, as more fully set forth in the Motion; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that the Court may enter a final order consistent with Article III of the United States Constitution; and it appearing 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

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that the Reorganized 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 the Court having reviewed the Motion; and all responses, if any, to the Motion having been withdrawn, resolved, or overruled; and the Court having determined that the legal and factual bases set forth in the Motion 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 Claim Objection Deadline is hereby extended by 90 days, through and including October 4, 2021.
2. This Order is without prejudice to the rights of the Reorganized Debtors to seek further extension of the Claim Objection Deadline.
3. The Reorganized Debtors are authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.
4. Notwithstanding any provision in the Bankruptcy Rules to the contrary, this Order shall be immediately effective and enforceable upon its entry.
5. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Signed: _____, 2021

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE