

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’ FIFTH MOTION FOR ENTRY OF AN
ORDER EXTENDING THE TIME TO FILE AND SERVE OBJECTIONS TO CLAIMS**

This motion seeks an order that may adversely affect you. If you oppose the motion, you should immediately contact the moving party to resolve the dispute. If you and the moving party cannot agree, you must file a response and send a copy to the moving party. You must file and serve your response within 21 days of the date this was served on you. Your response must state why the motion should not be granted. If you do not file a timely response, the relief may be granted without further notice to you. If you oppose the motion and have not reached an agreement, you must attend the hearing. Unless the parties agree otherwise, the court may consider evidence at the hearing and may decide the motion at the hearing.

Represented parties should act through their attorney.

The above-captioned reorganized debtors (collectively, the “**Reorganized Debtors**”) respectfully state the following in support of this 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.



RELIEF REQUESTED

1. The Reorganized Debtors seek entry of an order, substantially in the form attached hereto (the “**Order**”), extending the Claims Objection Deadline to December 31, 2023, without prejudice to the rights of the Reorganized Debtors to request further extensions of the Claims 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.

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

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.

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 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).

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].

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**”).

CLAIMS OBJECTION AND RECONCILIATION PROCESS

8. The Plan provides that the Claims 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 Claims 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.

9. On July 2, 2021, the Reorganized Debtors filed a second motion (the “**Second Extension Motion**”) [Case No. 20-33505, Docket No. 138] seeking to extend the Claims Objection Deadline to October 4, 2021. The Court entered an order on July 6, 2021 [Case No. 20-33505, Docket No. 77] granting the Second Extension Motion.

10. On September 29, 2021, the Reorganized Debtors filed a third motion (the “**Third Extension Motion**”) [Case No. 20-33505, Docket No. 142] seeking to extend the Claims Objection Deadline to December 31, 2021. The Court entered an order on October 1, 2021 [Case No. 20-33505, Docket No. 143] granting the Third Extension Motion.

11. On December 17, 2021, the Reorganized Debtors filed a fourth motion (the “**Fourth Extension Motion**” and together with the First, Second, and Third Extension Motions, the “**Extension Motions**”) [Case No. 20-33505, Docket No. 155] seeking to extend the Claims Objection Deadline to December 31, 2022. The Court entered an order on December 19, 2021 [Case No. 20-33505, Docket No. 156] granting the Fourth Extension Motion, and the Claims Objection Deadline is currently December 31, 2022.

⁷ Plan, Art. I.B.

12. Since the Effective Date, the Reorganized Debtors and their advisors have worked diligently to reconcile the over 800 claims filed in these Chapter 11 Cases. To date, the Reorganized Debtors have filed 15 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.

13. As set forth in the Extension Motions, while the Reorganized Debtors have worked diligently to complete the claims resolution process, they were not able to resolve certain claims before the original Claims Objection Deadline or the extended deadlines. In particular, certain of the claims filed by taxing authorities involved ongoing audits that would not be concluded by the Claims Objection Deadline. Several of these audits have been ongoing through the past two years and are not expected to be resolved before the expiration of the current Claims Objection Deadline. While the Reorganized Debtors are hopeful that these audits will be resolved soon, based on conversations between the Reorganized Debtors and the taxing authorities, some of the audits may continue for several more months or longer. As a result, it is necessary to extend the Claims Objection Deadline. At this time, the Reorganized Debtors are requesting an extension of the Claims Objection Deadline to December 31, 2023.

BASIS FOR RELIEF

14. 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

⁸ 11 U.S.C. § 105(a).

expiration of the period originally prescribed.”⁹ As set forth above, the Plan also provides for an extended Claims Objection Deadline to be set by order of the Court.¹⁰

15. To allow the Reorganized Debtors and the taxing authorities to complete all the remaining audits and give the Reorganized Debtors sufficient time to review the remaining filed proofs of claim, the Reorganized Debtors respectfully request an extension of the Claims Objection Deadline to December 31, 2023. Rather than objecting to claims merely to satisfy the current Claims Objection Deadline, the Reorganized Debtors believe it is in the best interests of all parties in interest to continue the review and reconciliation process.

16. An extension of the Claims 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 Claims Objection Deadline to December 31, 2023 is authorized by the Bankruptcy Code and the terms of the Plan and should be granted.

⁹ Fed. R. Bankr. P. 9006(b)

¹⁰ Plan, Art. I.B.

Dated: October 24, 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 October 24, 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
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**ORDER GRANTING REORGANIZED
DEBTORS’ FIFTH MOTION FOR ENTRY OF AN ORDER
EXTENDING THE TIME TO FILE AND SERVE OBJECTIONS TO CLAIMS**
[Relates to Docket No. ____]

The Court has considered the *Reorganized Debtors’ Fifth Motion for Entry of an Order Extending the Time to File and Serve Objections to Claims* (the “**Motion**”)³ filed by the above-captioned reorganized debtors (collectively, the “**Reorganized Debtors**”).

It is **HEREBY ORDERED THAT**:

1. The Claims Objection Deadline is hereby extended to December 31, 2023.
2. This Order is without prejudice to the rights of the Reorganized Debtors to seek further extension of the Claims Objection Deadline.

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.

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³ Capitalized terms used but not defined herein have the meanings given to them in the Motion.

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: _____, 2022

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE