

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

In re: APACHE ENERGY SERVICES, LLC Debtor	§ § § § §	Chapter 11 Case No. 15-60069 (DRJ)
In re: HII TECHNOLOGIES, INC. Debtor	§ § § § §	Chapter 11 Case No. 15-60070 (DRJ)
In re: AQUA HANDLING OF TEXAS, LLC Debtor	§ § § § §	Chapter 11 Case No. 15-60071 (DRJ)
In re: HAMILTON INVESTMENT GROUP Debtor	§ § § § §	Chapter 11 Case No. 15-60072 (DRJ)
In re: SAGE POWER SOLUTIONS, INC. f/k/a KMHVC, INC. Debtor	§ § § § §	Chapter 11 Case No. 15-60073 (DRJ) (Joint Administration Requested)

**DEBTORS’ EMERGENCY MOTION FOR AUTHORITY TO IMPLEMENT CERTAIN
NOTICE PROCEDURES UNDER BANKRUPTCY CODE SECTIONS 105(A) AND
BANKRUPTCY RULES 1015(C) AND 9007**

NOTICE UNDER BLR 9013(B) AND 9013(I)

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.

EMERGENCY RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED; YOU SHOULD FILE AN IMMEDIATE RESPONSE.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

THE DEBTORS HAVE REQUESTED THAT THIS MOTION BE CONSIDERED AT THE DEBTORS' FIRST DAY HEARINGS.

**The Honorable David R. Jones,
United States Bankruptcy Judge:**

HII Technologies, Inc. ("HII") and its above-captioned affiliated debtors (collectively, the "Debtors"), file this Emergency Motion for Authority to Implement Certain Notice Procedures Under Bankruptcy Code Section 105(a) and Bankruptcy Rules 1015(c) and 9007 (the "Motion"). In support of this Motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Debtors' cases in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Bankruptcy Code section 105(a) and Federal Rules of Bankruptcy Procedure 1015(c) and 9007 provide the statutory predicates for the requested relief.

BACKGROUND

2. HII is a publicly traded company. Many publicly traded shares may be held in "street names" such that the Debtor does not know the identity of the actual holder. Likewise, there are hundreds of potential claimants as vendors, customers, former employees, and

subordinated noteholders. The Debtor seeks to minimize the burden on the estate by using these notice procedures to provide notice through a streamlined and more efficient process.

3. HII is a Houston, Texas based oilfield services company with operations in Texas, Oklahoma, Ohio, and West Virginia focused on commercializing technologies and providing services in frac water management, safety services and portable power used by exploration and production (“E&P”) companies in the United States. It is traded on the OTCQB under the Stock Symbol HIIT. It was formed as a “roll up” of smaller oilfield service companies under a single umbrella. In December 2014, the Debtors employed 103 persons and extensively used independent contractor crews in connection with field service work.

4. HII operates through wholly-owned subsidiaries. The table below provides an overview of the current subsidiaries and their oilfield service activities:

<u>Name</u>	<u>Doing Business As (dba):</u>	<u>Business</u>
Apache Energy Services, LLC	AES Water Solutions	Frac Water Management Solutions
	AES Safety Services	Oilfield Safety Services
Aqua Handling of Texas, LLC	AquaTex	Frac Water Management Solutions
Hamilton Investment Group	Hamilton Water Transfer	Frac Water Management Solutions
Sage Power Solutions, Inc.	Sage Power, South Texas Power, or STP	Oilfield Power Management Solutions

5. The Debtors’ immediate objectives in commencing these chapter 11 cases are to minimize any loss in the value of their assets, preserve on-going business operations, and maximize creditor recoveries. To accomplish these ends, the Debtors intend to sell at auction substantially all of their assets. The auction should create a mechanism by which the free market values the assets and gives the greatest recovery for the estates.

RELIEF REQUESTED

6. The Debtors request an order implementing certain notice procedures substantially in the form of the proposed order attached to this Motion (the “Notice Procedures”).

The proposed Notice Procedures will afford adequate notice to all parties-in-interest without burdening the Debtors' estates with substantial administrative costs.

THE NOTICE PROCEDURES

7. The Debtors submit that the following Notice Procedures should be implemented for the administration of the Debtors' cases.

A. Master Service List.

8. The Debtors propose to create a master service list (the "Master Service List") that would include the following parties, and/or their counsel if requested: (a) the Office of the United States Trustee for the Southern District of Texas; (b) all known or alleged secured creditors; (c) the 20 largest unsecured creditors of the Debtors on a consolidated basis; (d) the DIP Lender(s); (e) all known shareholders holding over 5% of a class of equity interests in any of the Debtors; (f) the Debtors and the Debtors' professionals; (g) the Securities and Exchange Commission; (h) the Internal Revenue Service; (i) other national, state and local government agencies, to the extent required by the Bankruptcy Code, Federal Rules of Bankruptcy Procedure or Local Rules; (j) all statutory committees appointed in these cases; (k) all parties requesting notice under Rule 2002 of the Federal Rules of Bankruptcy Procedure; and, (L) all parties on whom the Court orders notice.

9. The Debtors will file their initial proposed Master Service List within three (3) days after entry of an order approving this Motion. The Debtors will then update the Master Service List to include those persons or parties who have made a written request to be included on the Master Service List: (i) every seven (7) days during the first thirty (30) calendar days of these cases; (ii) every fifteen (15) days during the next sixty (60) calendar days; and (iii) monthly

thereafter throughout the pendency of these cases. The Debtors will file with the Court a notice of each updated Master Service List.

10. The Debtors propose to serve each party listed on the Master Service List with a copy of every motion, application, notice, brief, objection, response, memorandum, affidavit, declaration, or other writing filed in these bankruptcy cases (including notices and orders entered by the Court, but not including proofs of claim or proofs of interest) (collectively, the “Filings” and each a “Filing”). The Debtors propose to serve the parties on the Master Service List by any of: standard mail, e-mail, or facsimile. Upon completion of noticing, the Debtors shall file with the Court either an affidavit or certification of service within three (3) business days of service.

B. Service of Pleadings.

11. Parties filing pleadings and other documents with the Clerk of the Court shall serve the parties on the Master Service List by U.S. mail or hand delivery. Parties may, alternatively, serve all pleadings or other documents by e-mail or facsimile upon parties listed on the Master Service List if the Master Service List includes the party’s e-mail or facsimile information.

C. Notice to Other Parties-in-interest.

12. The Debtors request service to be limited to the Master Service List for all matters covered by Federal Rule of Bankruptcy Procedure 2002, with the exception of the following: (i) the order setting hearing on first day matters; (ii) the Order approving the Notice Procedures; (iii) notice of the first meeting of creditors pursuant to section 341 of the Bankruptcy Code; (iv) the time fixed for filing proofs of claim pursuant to Federal Rule of Bankruptcy Procedure 3003(c); (v) the time fixed for filing objections to, and the hearings to consider, approval of a disclosure statement and confirmation of a plan of reorganization; and, (vi) notice and transmittal

of ballots for accepting or rejection a plan of reorganization. Notice of the foregoing matters would be given to all parties-in-interest listed on the Debtors' consolidated creditor matrix (the "Consolidated Creditor Matrix") by first-class U.S. mail, or e-mail, or facsimile.

D. Notice to Affected Parties.

13. Additionally, with respect to parties not listed on the Master Service List but whose rights may be directly affected by a particular Filing (an "Affected Party"), the Debtors propose to serve that Filing on the Affected Party. The Debtors propose to serve any Affected Party by standard first-class mail, e-mail, or facsimile.

BASIS FOR RELIEF

14. Federal Rules of Bankruptcy Procedure 1015 and 9007 authorize the Court to regulate notices in a manner that avoids unnecessary costs and delay. *See* FED. R. BANKR. P. 1015; FED. R. BANKR. P. 9007; *see also* 11 U.S.C. § 105(a) ("[t]he court may issue any order, process or judgment that is necessary or appropriate to carry out the provisions" of the Bankruptcy Code).

15. Serving each party with every pleading would impose a substantial burden on the Debtors' estates. The proposed Notice Procedures ensure that all parties are given notice of the essential aspects of the cases, where pleadings can be located, and the opportunity to be added to the Master Service List. Moreover, the proposed Notice Procedures provide that any party whose rights or interests are directly affected by a pleading will be given notice of that pleading regardless of whether they request to be added to the Master Service List.

16. Bankruptcy Courts within and outside this District have routinely granted substantially similar relief. *See, e.g., In re ATP Oil & Gas Corp.*, Case No. 12-36187, Dkt. No. 132 (Bankr. S.D. Tex. Aug. 21, 2012); *In re Seahawk Drilling, Inc.*, Case No. 11-20089, Dkt.

No. 49 (Bankr. S.D. Tex. Feb. 15, 2011); *In re TXCO Res., Inc.*, Case No. 09-51807, Dkt. No. 54 (Bankr. W.D. Tex. May 20, 2009); *In re Energy Partners, Ltd.*, Case No. 09-32957, Dkt. No. 32 (Bankr. S.D. Tex. May 1, 2009).

NOTICE

17. Notice of this Motion will be provided by overnight delivery and/or e-mail or facsimile to: (a) the Office of the United States Trustee for the Southern District of Texas; (b) all known or alleged secured creditors; (c) the 20 largest consolidated unsecured creditors of the Debtors; (d) the DIP Lender(s); (e) all known shareholders holding over 5% of a class of equity interests in any of the Debtors; (f) the Securities and Exchange Commission; and (g) the Internal Revenue Service. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Debtors respectfully request that the Court enter an order (i) approving the Notice Procedures; and (ii) granting the Debtors such other and further relief as may be just and proper.

Dated: September 18, 2015.

McKool Smith, P.C.

By: /s/ Hugh M. Ray, III
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ORDER ESTABLISHING NOTICE PROCEDURES

Upon consideration of the emergency motion filed by the above-captioned Debtors to limit notice and establish notice procedures (the “Motion”);¹ and after finding that good and sufficient notice of the Motion having been given and no other notice is necessary; and having determined that the relief sought in the Motion is appropriate in these cases and in the best interest of the Debtors, their creditors and all parties-in-interest; and after due deliberation and

¹ Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

finding of sufficient cause therefore, the Court hereby GRANTS the Motion in its entirety for the reasons set forth therein; it is THEREFORE

ORDERED that the Motion is granted; and it is further

ORDERED that the Notice Procedures set forth in the Motion and this Order (the “Notice Procedures”) shall govern all aspects of the Debtors’ chapter 11 cases; and it is further

ORDERED that the Debtors shall file their initial Master Service List within three (3) days after entry of this Order, and shall thereafter serve a printed copy of this Order upon all parties on the Master Service List as soon thereafter as is practicable; and it is further

ORDERED that, to the extent the Notice Procedures set forth in the Motion and this Order conflict with the Bankruptcy Code, any applicable federal or Local Rules, or orders entered by this Court, the Notice Procedures shall supersede such rules or orders; and it is further ORDERED that the Debtors are authorized to keep and maintain a single Master Service List in these cases; and it is further

ORDERED that the Debtors’ Master Service List shall be limited to: (a) the Office of the United States Trustee for the Southern District of Texas; (b) all known or alleged secured creditors; (c) the 20 largest unsecured creditors of the Debtors on a consolidated basis; (d) the DIP Lenders; (e) all known shareholders holding over 5% of a class of equity interests in any of the Debtors; (f) the Debtors and the Debtors’ professionals; (g) the Securities and Exchange Commission; (h) the Internal Revenue Service; (i) other government agencies, national, state and local, to the extent required by the Bankruptcy Code, Federal Rules of Bankruptcy Procedure or Local Rules; (j) all statutory committees appointed in these cases; (k) all parties requesting notice under Rule 2002 of the Federal Rules of Bankruptcy Procedure; and (L) all parties on whom the Court orders notice; and it is further

ORDERED that the Debtors shall file an updated Master Service List: (i) every seven (7) days during the first thirty (30) calendar days of these cases; (ii) every fifteen (15) days during the next sixty (60) calendar days; and (iii) monthly thereafter throughout the pendency of these cases. The Debtors shall file a notice with the Court for each updated Master Service List; and it is further

ORDERED that each party listed on the Master Service List shall be served with a copy of every motion, application, notice, brief, objection, response, memorandum, affidavit, declaration, or other writing filed in these bankruptcy cases (including notices and orders entered by the Court, but not including proofs of claim or proofs of interest) (collectively, "Filings"); and it is further

ORDERED that Parties filing pleadings and other documents with the Clerk of the Court shall serve the parties on the Master Service List by U.S. mail or hand delivery. Parties may, alternatively, serve all pleadings or other documents by e-mail or facsimile upon parties listed on the Master Service List if the Master Service List includes the party's e-mail or facsimile information; and it is further

ORDERED that any entity not listed on the Master Service List, but whose rights or interests are directly affected by a particular Filing, shall be served with a copy of such Filing; and it is further

ORDERED that, the proceedings with respect to which notice would be limited to the Master Service List shall include all matters covered by Federal Rule of Bankruptcy Procedure 2002, with the exception of the following: (i) the order setting hearing on first day matters; (ii) this Order approving the Notice Procedures; (iii) notice of the first meeting of creditors pursuant to section 341 of the Bankruptcy Code; (iv) the time fixed for filing proofs of claim pursuant to

Federal Rule of Bankruptcy Procedure 3003(c); (v) the time fixed for filing objections to, and the hearings to consider, approval of a disclosure statement and confirmation of a plan of reorganization; and (vi) notice and transmittal of ballots for accepting or rejection a plan of reorganization. Notice of the foregoing excepted matters shall be given to all parties-in-interest listed on the Debtors' Consolidated Creditor Matrix by first-class U.S. mail, or e-mail, or facsimile; and it is further

ORDERED that the Debtors may serve any pleadings or papers required to be served by the Notice Procedures by either first-class U.S. mail, e-mail, or facsimile (the choice of the foregoing being in the Debtors' sole discretion); and it is further

ORDERED that, upon the completion of noticing any particular matter, the party seeking relief shall file with the Court either an affidavit of service or a certification of service attaching the list of parties that received notice within three (3) business days of service; and it is further

ORDERED that the Debtors may amend the Notice Procedures from time to time throughout the Debtors' chapter 11 cases and shall present such amendments to the Court by motion in accordance with this Order; and it is further

ORDERED that this Order shall be immediately effective upon entry; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

SIGNED: _____, 2015.

UNITED STATES BANKRUPTCY JUDGE