

In The News

Vanderra to seek final OK to tap DIP, cash

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Deal Pipeline

Bankrupt oilfield services company Vanderra Resources LLC will appear before a Texas judge on Oct. 4 to request final permission to access the cash collateral of two secured lenders as well as a \$750,000 debtor-in-possession loan. Judge D. Michael Lynn of the U.S. Bankruptcy Court for the Northern District of Texas in Fort Worth was set to consider the matters at a Sept. 25 hearing, but the hearing was continued at the request of the official committee of unsecured creditors, which wanted additional time to review documents related to Vanderra's DIP, debtor counsel Kevin Lippman of Munsch, Hardt, Kopf & Harr PC said.

In court papers filed Sept. 10, Vanderra requested access to the cash collateral of prepetition lenders PlainsCapital Bank and Stone Arch Capital II LP so it could pay employees, purchase fuel, rent equipment, purchase materials and fund operations. Lynn on Sept. 13 granted the Fort Worth, Texas, debtor interim access to the funds.

PlainsCapital, owed nearly \$11 MM, and Stone Arch Capital, owed about \$3 MM, have been granted replacement liens on Vanderra's assets under the terms of the cash collateral use. Under a June 29 deal, Stone Arch agreed to subordinate its debt to that of PlainsCapital. Lynn on Sept. 13 also gave Vanderra permission to tap \$500,000 of the DIP loan from PlainsCapital on an interim basis. The lender has agreed to provide up to \$750,000 in financing if Vanderra is granted final approval at the Oct. 4 hearing. The DIP is priced at 6 percent and will mature on the earliest of Jan. 10, the effective date of a reorganization plan, or the date the bankruptcy court grants the debtor access to any other credit facility. The DIP is all new money, Lippman said.

The debtor on June 29 obtained an \$8 MM revolving line of credit from Plains-Capital. The same day, Vanderra also borrowed \$6 MM from the lender under a term note set to mature on June 29, 2013. The debtor also borrowed \$3 MM from Stone Arch on June 29, court papers show.

Vanderra provides services to the oilfield industry, including the setup of drilling sites and the construction of well site locations, court papers show.

The company filed for Chapter 11 protection on Sept. 9 due to "various macroeconomic and microeconomic factors, including the taking of key salespersons by competitors, a saturation of oilfield providers, and a slow down in drilling operations," that led to a decline in profitability, court papers said. As a result, the company closed underperforming yards and divisions and laid off more than 100 employees. Vanderra plans to refocus its business around its profitable yards and divisions including operations in Ohio, West Virginia and Texas.

In court documents, Vanderra said it filed for bankruptcy to "address its legacy debt issues, to finalize its restructuring into a smaller, more profitable company, and to preserve and enhance its going concern value for the benefit of its vendors, customers, creditors, employees and all stakeholders."

In court papers, Vanderra reported assets and liabilities of \$10 MM to \$50 MM.

Davor Rukavina and Deborah Perry of Munsch Hardt are also debtor counsel.

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