

Headnote

National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* - Securities Act s. 88 Cease to be a reporting issuer in BC - The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market – The issuer falls within the definition of “closely held reporting issuer” contained in BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* as the securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market

Applicable Legislative Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

August 26, 2013

In the Matter of
the Securities Legislation of
British Columbia, Alberta and Ontario
(the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Wenzel Downhole Tools Ltd.
(the Filer)

Decision

Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer be deemed to have ceased to be a reporting issuer under the Legislation (the Exemptive Relief Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the Alberta Securities Commission is the principal regulator for this application;
and

- (b) this decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined herein.

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
1. Wenzel Downhole Tools Ltd. (Wenzel) was incorporated under the *Business Corporations Act* (Alberta) (ABCA) on June 9, 1994. Pursuant to a plan of arrangement (the Arrangement) under the ABCA completed on July 31, 2013 (the Effective Date), Wenzel and 1748017 Alberta Ltd. (1748017) amalgamated and continued as one entity (the Amalgamation). The Filer is the company resulting from the Amalgamation.
 2. The Filer's head office is located in Calgary, Alberta.
 3. The Filer is a reporting issuer in the Jurisdictions.
 4. The Arrangement was approved by the securityholders (the Securityholders) of Wenzel at a special meeting of Securityholders held on July 30, 2013.
 5. The Arrangement was approved by the Court of Queen's Bench of Alberta on July 30, 2013.
 6. Pursuant to the Arrangement, among other things, (i) 1748017, a subsidiary of Basin Tools, LP (Basin) acquired all of the issued and outstanding common shares of Wenzel (the Wenzel Shares) not already owned by Basin, with each former holder of Wenzel Shares receiving \$2.25 for each Wenzel Share held; (ii) all outstanding options (Options) of Wenzel were transferred and surrendered to Wenzel by the holders thereof in exchange for consideration of \$2.25 less the exercise price for each in-the-money Option; (iii) all outstanding preferred shares of Wenzel (the Preferred Shares) were converted into Wenzel Shares at a conversion ratio of one Wenzel Share for each Preferred Share; (iv) each Wenzel Share owned by Basin prior to the Effective Date was transferred to 1748017 in exchange for one common share in the capital of 1748017 (the 1748017 Shares); and (v) the Amalgamation was completed.
 7. The Wenzel Shares were delisted from the Toronto Stock Exchange at the close of business on August 7, 2013.
 8. The 1748017 Shares survived and continued to be the common shares of the Filer without amendment.

9. On the Effective Date, Basin transferred all of its common shares in the capital of the Filer to its indirect subsidiary, Basin US Intermediate LP (Basin US), a Delaware limited partnership.
10. The Filer's share capital consists of common shares that are entirely owned by Basin US.
11. The Filer is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.
12. No securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Market Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publically reported.
13. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions in Canada and fewer than 51 securityholders in total worldwide.
14. The Filer is not in default of any of its obligations as a reporting issuer other than its obligation to file and deliver on or before August 14, 2013 interim financial statements and management's discussion and analysis for the three month period ended June 30, 2013, as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.
15. The Filer did not surrender its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* (the BC Instrument) in order to avoid the 10 day waiting period under the BC instrument.
16. The Filer has no current intention to seek public financing by way of an offering of securities in Canada or to list securities on any marketplace in Canada.
17. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Application for a Decision that an Issuer is not a Reporting Issuer* in order to apply for the decision sought because it is a reporting issuer in British Columbia and is in default of certain filing obligations under the Legislation as described in paragraph 14 above.
18. The Filer seeks an order deeming the Filer to have ceased to be a reporting issuer in the Jurisdictions.
19. Upon grant of the relief requested, the Filer will not be a reporting issuer or the equivalent in any jurisdiction in Canada.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.

“original signed by”

Tom Graham, CA
Director, Corporate Finance