

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: CATALYST PAPER CORPORATION, Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10221 (PJW)
In re: CATALYST PAPER ENERGY HOLDINGS INC., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10233 (PJW)
In re: CATALYST PAPER GENERAL PARTNERSHIP, Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10220 (PJW)
In re: CATALYST PULP AND PAPER SALES INC., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10232 (PJW)
In re: CATALYST PULP OPERATIONS LTD., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10229 (PJW)

In re: CATALYST PULP SALES INC., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10230 (PJW)
In re: ELK FALLS PULP AND PAPER LTD., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10234 (PJW)
In re: PACIFICA POPLARS LTD., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10231 (PJW)
In re: CATALYST PAPER HOLDINGS INC., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10219 (PJW)
In re: PACIFICA PAPERS U.S. INC., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10222 (PJW)
In re: PACIFICA POPLARS INC., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10223 (PJW)

In re: PACIFICA PAPERS SALES INC., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10224 (PJW)
In re: CATALYST PAPER (USA) INC., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10225 (PJW)
In re: CATALYST PAPER (RECYCLING) INC., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10226 (PJW)
In re: CATALYST PAPER (SNOWFLAKE) INC., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10227 (PJW)
In re: THE APACHE RAILWAY COMPANY, Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10228 (PJW)
In re: 0606890 B.C. LTD., Debtor in Foreign Proceeding.	Chapter 15 Case No. 12-10235 (PJW)

**MOTION PURSUANT TO FED R. BANKR. P. 1015(b) FOR ORDER
DIRECTING JOINT ADMINISTRATION OF CASES UNDER CHAPTER 15
OF THE BANKRUPTCY CODE**

Catalyst Paper Corporation (“CPC”), as the authorized foreign representative for itself and its above-captioned affiliates (collectively, the “Debtors”) in a foreign proceeding (the “CBCA Proceeding”) under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, and *Business Corporations Act*, S.B.C. 2002, c.57, before the Supreme Court of British Columbia (the “Canadian Court”), hereby moves (the “Motion”) this Court for entry of an order, pursuant to section 105(a) of title 11 of the United States Code (“Bankruptcy Code”), Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), authorizing and directing the joint administration of the Debtors’ related chapter 15 cases for procedural purposes only. In support of the Motion, CPC relies upon and incorporates by reference the Declaration of Brian Baarda (the “Baarda Declaration”), filed with the Court concurrently herewith. In further support of the Motion, CPC respectfully represents as follows:

BACKGROUND

1. On January 17, 2012, the Debtors commenced the CBCA Proceeding to effect a consensual restructuring arrangement reached with certain creditors. On January 17, 2012, the Canadian Court entered an interim order (the “Interim Order”) specifying such items as the manner for calling and holding a special meeting of the stakeholders (e.g., distribution of proxy materials, notice periods, and time and place of meeting), the persons entitled to vote at the meeting, classes of persons entitled to a separate class vote, and the acceptance thresholds for approval of the CBCA arrangement.

2. On the date hereof (the “Petition Date”), the Debtors commenced their chapter 15 cases by filing petitions (collectively, the “Chapter 15 Petitions”) pursuant to section 1504 and 1515 of the Bankruptcy Code (collectively, the “Chapter 15 Cases”). CPC seeks recognition of the CBCA Proceeding as a “foreign main proceeding” as defined in sections 1502(4) and 1517(b)(1) of the Bankruptcy Code. In the alternative, CPC seeks recognition of the CBCA Proceeding as a “foreign main proceeding” as defined in sections 1502(4) and 1517(b)(1) of the Bankruptcy Code with respect to the Canadian debtors¹, and as a “foreign nonmain proceeding” as defined in sections 1502(5) and 1517(b)(2) of the Bankruptcy Code with respect to the U.S. debtors².

3. The factual background regarding the Debtors, including their business operations, their capital and debt structure, and the events leading to the filing of these bankruptcy cases, is set forth in detail in the Baarda Declaration.

JURISDICTION AND VENUE

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

5. Venue is proper in this District pursuant to 28 U.S.C. § 1410.

6. The statutory predicates for the relief requested herein are section 105(a) of the Bankruptcy Code, Bankruptcy Rule 1015(b) and Local Rule 1015-1.

¹ The Canadian debtors are: Catalyst Paper Corporation, Catalyst Paper Energy Holdings Inc., Catalyst Paper General Partnership, Catalyst Pulp and Paper Sales Inc., Catalyst Pulp Operations Ltd., Catalyst Pulp Sales Inc., Elk Falls Pulp and Paper Ltd., Pacifica Poplars Ltd., and 0606890 B.C. Ltd.

² The U.S. debtors are: Catalyst Paper Holdings Inc., Pacifica Papers U.S. Inc., Pacifica Poplars Inc., Pacifica Papers Sales Inc., Catalyst Paper (USA) Inc., Catalyst Paper (Recycling) Inc., Catalyst Paper (Snowflake) Inc., and The Apache Railway Company.

RELIEF REQUESTED

7. By this Motion, CPC respectfully requests the entry of an order, in the form attached hereto as Exhibit A, (a) authorizing and directing the joint administration of the Debtors' chapter 15 cases for procedural purposes only, and (b) granting such other relief as the Court deems just and proper.

8. CPC also requests that the caption of the Debtors' chapter 15 cases be modified to reflect the joint administration of these chapter 15 cases substantially as follows:

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 15
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: Case No. 12-10221 (PJW)
:
: Jointly Administered
:
----- x

¹ The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: (i) 0606890 B.C. Ltd. (2214); (ii) Catalyst Paper Corporation (1171); (iii) Catalyst Paper Energy Holdings Inc. (3668); (iv) Catalyst Paper General Partnership (6288); (v) Catalyst Pulp and Paper Sales Inc. (2085); (vi) Catalyst Pulp Operations Ltd. (4565); (vii) Catalyst Pulp Sales Inc. (4021); (viii) Elk Falls Pulp and Paper Ltd. (9493); (ix) Pacifica Poplars Ltd. (6048); (x) Catalyst Paper Holdings Inc. (7177); (xi) Pacifica Papers U.S. Inc. (7595); (xii) Pacifica Poplars Inc. (9597); (xiii) Pacifica Papers Sales Inc. (7594); (xiv) Catalyst Paper (USA) Inc. (6890); (xv) Catalyst Paper (Recycling) Inc. (8358); (xvii) Catalyst Paper (Snowflake) Inc. (7015); (xvii) The Apache Railway Company (0017) (Catalyst Paper Holdings Inc., Pacifica Papers U.S. Inc., Pacifica Poplars Inc., Pacifica Papers Sales Inc., Catalyst Paper (USA) Inc., Catalyst Paper (Recycling) Inc., Catalyst Paper (Snowflake) Inc. and The Apache Railway Company, collectively, the "U.S. Debtors"). The Debtors' executive headquarters' addresses are 2nd Floor, 3600 Lysander Lane, Richmond, BC V7B 1C3, Canada; 2101 Fourth Avenue, Suite 1950, Seattle, WA 98121; and Spur 277 N., Snowflake, AZ 85937.

9. In addition, CPC requests that the Court authorize and direct that a notation substantially similar to the following notation be entered on the docket for each of the Debtors to reflect the joint administration of these cases:

An order (the “Joint Administration Order”) has been entered in this case directing the joint administration of the chapter 15 cases listed below. The docket in case no. 12-10221 should be consulted for all matters affecting this case. The following chapter 15 cases are jointly administered pursuant to the Joint Administration Order:

0606890 B.C. Ltd., Case No. 12-10235; Catalyst Paper Corporation, Case No. 12-10221; Catalyst Paper Energy Holdings Inc., Case No. 12-10233; Catalyst Paper General Partnership, Case No. 12-10220; Catalyst Pulp and Paper Sales Inc., Case No. 12-10232; Catalyst Pulp Operations Ltd., Case No. 12-10229; Catalyst Pulp Sales Inc., Case No. 12-10230; Elk Falls Pulp and Paper Ltd., Case No. 12-10234; Pacifica Poplars Ltd., Case No. 12-10231; Catalyst Paper Holdings Inc., Case No. 12-10219; Pacifica Papers U.S. Inc., Case No. 12-10222; Pacifica Poplars Inc., Case No. 12-10223; Pacifica Papers Sales Inc., Case No. 12-10224; Catalyst Paper (USA) Inc., Case No. 12-10225; Catalyst Paper (Recycling) Inc., Case No. 12-10226; Catalyst Paper (Snowflake) Inc., Case No. 12-10227; and The Apache Railway Company, Case No. 12-10228.

10. Further, CPC requests that the Court authorize the Debtors to utilize a combined service list for the jointly-administered cases and that combined notices be sent to creditors of the Debtors’ estates and other parties in interest as applicable.

BASIS FOR RELIEF

11. Bankruptcy Rule 1015(b) provides that, if two or more petitions are pending in the same court by or against a debtor and an affiliate, the court may order the joint administration of the estates of a debtor and its affiliates. See Fed. R. Bankr. P. 1015(b).

12. Additionally, Local Rule 1015-1 provides that this Court may order joint administration without notice or a hearing upon the filing of a motion requesting such joint administration and an affidavit or verification establishing that joint administration is warranted.

13. The Baarda Declaration, filed simultaneously herewith, establishes that joint administration of these chapter 15 cases (a) is warranted because the Debtors’ financial affairs and business operations are closely related, (b) will ease the administrative burden on the Court and the parties, and (c) protects creditors of different estates against potential conflicts of interest.

14. CPC anticipates that the various notices, applications, motions, other pleadings, hearings, and orders in these cases will affect all of the Debtors. With seventeen affiliated Debtors, each with its own case docket, the failure to administer these cases jointly would result in numerous duplicative pleadings filed for each issue and served upon separate service lists. Such duplication of substantially identical documents would be extremely wasteful and would unnecessarily burden the Clerk of this Court (the “Clerk”).

15. Joint administration will permit the Clerk to use a single docket for each of the Debtors’ cases and to combine notices to creditors and other parties in interest of the Debtors’ respective estates. Joint administration will protect parties in interest by ensuring that such parties in interest in each of the Debtors’ respective chapter 15 cases will be apprised of the various matters before the Court in all of these cases.

16. CPC requests that the official caption to be used by all parties in all pleadings in the Debtors’ jointly-administered cases be in the form set forth above.

17. CPC submits that use of the simplified caption, without reference in the caption itself to all seventeen of the Debtors, will eliminate cumbersome and confusing procedures and ensure a uniformity of pleading identification.

18. The rights of the respective creditors of each of the Debtors will not be adversely affected by joint administration of these cases inasmuch as the relief sought is purely procedural and is in no way intended to affect substantive rights. Each creditor and party in interest will maintain whatever rights it has against the particular estate in which it allegedly has a claim or right. Indeed, the rights of all creditors will be enhanced by the reduction in costs resulting from joint administration. The Court also will be relieved of the burden of entering duplicative orders

and keeping duplicative files. Supervision of the administrative aspects of these chapter 15 cases by the Office of the United States Trustee will also be simplified.

NOTICE

19. CPC requests that the Court grant this Motion without notice to creditors. CPC proposes to notify all creditors of these chapter 15 cases in the method set forth in CPC's *Motion to Approve Order (I) Specifying Form and Manner of Service of Notice of Filing of Petitions and Other Pleadings Pursuant to Chapter 15 of the Bankruptcy Code, and (II) Scheduling a Hearing on Chapter 15 Petitions for Recognition*. In light of the nature of the relief requested, CPC submits, and requests that this Court hold, that no further notice is required.

CONCLUSION

WHEREFORE, CPC respectfully requests that the Court enter an Order, substantially in the form attached hereto as Exhibit A, (a) authorizing the joint administration of the Debtors' chapter 15 cases and (b) granting such other relief as the Court deems just and proper.

Dated: January 17, 2012
Los Angeles, CA

/s/ Van C. Durrer, II
Van C. Durrer, II (I.D. No. 3827)
SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP
300 South Grand Avenue
Los Angeles, California 90071
(213) 687-5000

Counsel for Catalyst Paper Corporation

EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: CATALYST PAPER CORPORATION, Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10221 (PJW)
In re: CATALYST PAPER ENERGY HOLDINGS INC., Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10233 (PJW)
In re: CATALYST PAPER GENERAL PARTNERSHIP, Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10220 (PJW)
In re: CATALYST PULP AND PAPER SALES INC., Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10232 (PJW)
In re: CATALYST PULP OPERATIONS LTD., Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10229 (PJW)

In re: CATALYST PULP SALES INC., Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10230 (PJW)
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In re: PACIFICA PAPERS U.S. INC., Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10222 (PJW)
In re: PACIFICA POPLARS INC., Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10223 (PJW)

In re: PACIFICA PAPERS SALES INC., Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10224 (PJW)
In re: CATALYST PAPER (USA) INC., Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10225 (PJW)
In re: CATALYST PAPER (RECYCLING) INC., Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10226 (PJW)
In re: CATALYST PAPER (SNOWFLAKE) INC., Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10227 (PJW)
In re: THE APACHE RAILWAY COMPANY, Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10228 (PJW)
In re: 0606890 B.C. Ltd., Debtor in Foreign Proceeding.	CHAPTER 15 Case No. 12-10235 (PJW)

ORDER AUTHORIZING JOINT ADMINISTRATION

Upon review of the motion (the “Motion”)¹ of Catalyst Paper Corporation (“CPC”), as the authorized foreign representative for itself and its above-captioned affiliates (collectively, the “Debtors”) in a proceeding under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, and *Business Corporations Act*, S.B.C. 2002, c.57, pending before the Supreme Court of British Columbia (the “Canadian Court”), for the entry of an order pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1, authorizing and directing the joint administration of the Debtors’ related chapter 15 cases for procedural purposes only; and upon the Baarda Declaration; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and upon the record therein; and it appearing that the relief requested by the Motion is in the best interests of the Debtors’ estates, their creditors and other parties-in interest; and after due deliberation and sufficient cause appearing therefor; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. § 1410;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The above-captioned chapter 15 cases are hereby consolidated for procedural purposes only and shall be jointly administered by this Court.
3. Nothing contained in this Order shall be deemed or construed as directing or otherwise effecting a substantive consolidation of the above-captioned Debtors’ chapter 15 estates,

¹ Capitalized terms used, but not otherwise defined herein, have the meanings set forth in the Motion.

and this Order shall be without prejudice to the rights of CPC to seek entry of an order substantively consolidating the Debtors' respective estates.

4. The caption of the jointly-administered cases shall read as follows:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

----- X
:
In re: : Chapter 15
:
: Case No. 12-10221 (PJW)
:
: Jointly Administered
:
----- X

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5. A docket entry shall be made in each of the Debtors' cases substantially as follows:

An order (the "Joint Administration Order") has been entered in this case directing the joint administration of the chapter 15 cases listed below. The docket in case no. 12-10221 should be consulted for all matters affecting this case. The following chapter 15 cases are jointly administered pursuant to the Joint Administration Order:

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U.S. Inc., Case No. 12-10222; Pacifica Poplars Inc., Case No. 12-10223; Pacifica Papers Sales Inc., Case No. 12-10224; Catalyst Paper (USA) Inc., Case No. 12-10225; Catalyst Paper (Recycling) Inc., Case No. 12-10226; Catalyst Paper (Snowflake) Inc., Case No. 12-10227; and The Apache Railway Company, Case No. 12-10228.

6. CPC is hereby authorized to (a) utilize a combined service list for the Debtors' jointly-administered cases and (b) send combined notices to creditors for the Debtors' estates and other parties in interest as applicable.

7. CPC is authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Order.

8. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

Dated: January ___, 2012
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

File a Motion:[12-10221-PJW Catalyst Paper Corporation](#)

Type: bk	Chapter: 15 v	Office: 1 (Delaware)
Assets: y	Judge: PJW	Case Flag: VerifDue

U.S. Bankruptcy Court**District of Delaware**

Notice of Electronic Filing

The following transaction was received from Van C. Durrer entered on 1/17/2012 at 9:29 PM EST and filed on 1/17/2012

Case Name: Catalyst Paper Corporation
Case Number: [12-10221-PJW](#)
Document Number: [4](#)

Docket Text:

Motion for Joint Administration of Cases Under Chapter 15 of the Bankruptcy Code Filed by Catalyst Paper Corporation. (Attachments: # (1) Exhibit A - Proposed Order) (Durrer, Van)

The following document(s) are associated with this transaction:

Document description: Main Document

Original filename: H:\temp\convert\01 - JOINT ADMIN MOTION.pdf

Electronic document Stamp:

[STAMP bkecfStamp_ID=983460418 [Date=1/17/2012] [FileNumber=10446083-0] [4413c8df23856a127d9d773a5eef3aa10d5d65efd9504efffea241bdb37cd972a20d7e7a5d35607010a9d98041f8cf59483aaec5c24fdc5330d8185e105265b2]]

Document description: Exhibit A - Proposed Order

Original filename: 02 JOINT ADMIN ORDER.pdf

Electronic document Stamp:

[STAMP bkecfStamp_ID=983460418 [Date=1/17/2012] [FileNumber=10446083-1] [0e9507057b1970f888274a8be62901037b04d2ac1f15939b7bec774df2c716052199ea916b18793158122fb0333e05e067c4eb06127e694ba006a8b31f758925]]

12-10221-PJW Notice will be electronically mailed to:

Van C. Durrer on behalf of Debtor Catalyst Paper Corporation

van.durrer@skadden.com,

debank@skadden.com;christopher.heaney@skadden.com;wendy.lamanna@skadden.com;annie.li@skadden.co

United States Trustee

USTPREGION03.WL. ECF@USDOJ.GOV

12-10221-PJW Notice will not be electronically mailed to: