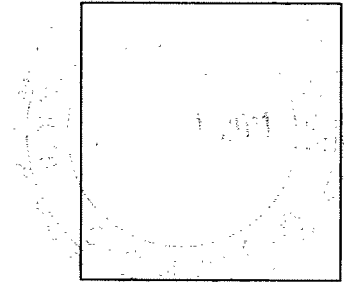


[Form 27]
[Rule 6.3]



Clerk's Stamp:

COURT FILE NUMBER	1003 02172
COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON
PLAINTIFF(S)	ROYAL BANK OF CANADA
DEFENDANT(S)	ADVANTAGE OILFIELD GROUP LTD., NORTH PAW ENERGY SERVICES LTD., RANCO HOLDINGS LTD., 1208362 ALBERTA LTD. AND CHRISTOPHER BRUINS
DOCUMENT	<u>APPLICATION BY ROYAL BANK OF CANADA (PLAINTIFF)</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	RAY RUTMAN Fraser Milner Casgrain LLP 2900 Manulife Place 10180 – 101 Street Edmonton, Alberta T5J 3V5 Ph. (780) 423-7246. (780) 423-7276 File No.: 125665-8158/RCR

NOTICE TO RESPONDENT(S)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the presiding Master in Chambers.

To do so, you must be in Court when the application is heard as shown below:

Date	Tuesday February 8, 2011
Time	10:00 am
Where	Law Courts Building 1A Sir Winston Churchill Square, Edmonton, AB
Before Whom	The Presiding Master in Chambers

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

1. An order in a form of the draft order attached to this Application as Schedule "A" or on such further and other terms as this Court may direct that Royal Bank of Canada ("RBC") has priority over MRN Investments ("MRN") with respect to all proceeds of personal property sold by Ernst & Young Inc. in its capacity as receiver (the "Receiver") of Ranco Holdings Ltd. ("Ranco");
2. Costs against MRN in favour of RBC on a solicitor and his own client full indemnity basis or on such further and other basis as this Honourable Court directs;
3. Such further and other relief as this Honourable Court deems just and appropriate.

Grounds for making this application:

4. Ranco borrowed money from RBC which Ranco agreed to repay with interest.
5. Ranco is in default of its repayment obligations to RBC.
6. Ranco granted security over all of Ranco's present and after acquired personal property by way of general security agreement for the purpose of securing all of the above referenced indebtedness.
7. The security interest created by the general security agreement was perfected by way of registration in the Alberta Personal Property Registry on June 29, 2005 and July 5, 2005 and such perfection continued at all material times.
8. A Receivership Order was granted in these proceedings on February 12, 2010 appointing the Receiver as receiver of the property of Ranco.
9. The Receivership Order authorized the Receiver, among other things, to sell, convey and transfer property owned by Ranco outside the ordinary course of business subject to

the approval of this Honourable Court where the transaction exceeded certain monetary thresholds.

10. An Order Confirming Sale and Vesting Order was granted by this Honourable Court on July 2, 2010 authorizing the Receiver to sell property of Ranco, including personal property (the "Disputed Assets") over which MRN asserts a priority to RBC.
11. MRN entered into a lease with Ranco. The lease described numerous assets.
12. MRN perfected a security interest in the Alberta Personal Property Registry against the name of Ranco by way of registration in that registry subsequent to the registration of RBC. The registration of MRN in the Alberta Property Registry was not against all present and after acquired personal property but rather against specific items. The specific items did not include all of the items included in the lease between MRN and Ranco. As a result, the security interest granted by Ranco to MRN by the lease was unperfected with respect to numerous goods for which there was no registration by MRN in the Alberta Personal Property Registry.
13. MRN has not been able to demonstrate that MRN perfected its registration in the Alberta Personal Property Registry not later than 15 days after the date that MRN or any other person at the request of MRN obtained possession of the collateral claimed by MRN.
14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

15. Affidavit of David W. Johnson, filed, the pleadings and proceedings had and taken herein, the Receiver's First Report, filed and such further and other material as counsel may advise and this Honourable Court may permit.

Applicable rules:

16. *Rule 6.3 of the Rules of Court, Alta. Reg. 390/1968, sections 10, 12, 19, 34, 35, 69 of the Personal Property Security Act, R.S.A. 2000 c P-7, section 36 of the Personal Property Security Regulation, Alta. Reg. 95/2001*
17. Such further and other authority as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

18. N/A

How the application is proposed to be heard or considered:

19. In chambers by way of personal attendance of counsel.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

Clerk's Stamp:

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JUDICIAL CENTRE	EDMONTON
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DEFENDANT(S)	ADVANTAGE OILFIELD GROUP LTD., NORTH PAW ENERGY SERVICES LTD., RANCO HOLDINGS LTD., 1208362 ALBERTA LTD. and CHRISTOPHER BRUINS
DOCUMENT	<u>ORDER</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	RAY RUTMAN Fraser Milner Casgrain LLP 2900 Manulife Place 10180 – 101 Street Edmonton, Alberta T5J 3V5 Ph. (780) 423-7246 Fx. (780) 423-7276 File No.: 125665.8158/RCR

DATE ON WHICH ORDER WAS PRONOUNCED: _____

NAME OF MASTER/JUDGE WHO MADE THIS ORDER: _____

ORDER

UPON the application of the Royal Bank of Canada ("RBC") the Plaintiff; AND UPON reading the Affidavit of David W. Johnson, filed;

IT IS HEREBY ORDERED THAT:

1. RBC has priority over MRN Investments ("MRN") in respect of all proceeds of personal property sold by Ernst & Young Inc. in its capacity as receiver of the property of Ranco

Holdings Ltd. ("Ranco") pursuant to an Order Confirming Sale and Vesting Order granted by this Honourable Court in these proceedings on July 2, 2010.

2. RBC is awarded costs against MRN fixed in the amount of \$_____.
3. Service of a copy of the Notice of Motion seeking this Order and any Affidavit in support is deemed good and sufficient upon all interested parties, the time for service is abridged to the time actually given and all further and other service is dispensed with.
4. Service of the within Order and any subsequent documents in this Action may be effected upon all subsequent Alberta Personal Property Registry registrants or encumbrancers by sending a copy of this Order or subsequent document to such registrant or encumbrancer by registered mail or priority post to the address shown on the registration or encumbrance filed at the Alberta Personal Property Registry (or by leaving the same at such address).
5. Any person interested in this Order who, to the knowledge of the Plaintiff is represented or becomes represented by a solicitor, may be served with a copy of this Order and any other documents filed in this action by way of facsimile transmission or e-mail to such solicitor and such service shall be deemed good and sufficient.
6. Service of any document by priority post shall be deemed effective on the third day subsequent to the day on which the mail was posted at the post office and service of any document by registered mail shall be deemed effective on the fifth day subsequent to the day at which the registered mail was posted at the post office. Service as aforesaid shall be effective irrespective of whether the envelope containing a copy of this Order or other document served is returned to sender.

M.C.Q.B.A.