

COURT FILE NUMBER **1501-13786**
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary



IN THE MATTER OF AN APPLICATION
UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC
1985, C B-3, AS AMENDED

APPLICANT **NATIONAL BANK OF CANADA, IN ITS
CAPACITY AS ADMINISTRATIVE AGENT
UNDER THAT CERTAIN AMENDED AND
RESTATED CREDIT AGREEMENT
DATED JUNE 30, 2015, AS AMENDED**

RESPONDENTS **SPYGLASS RESOURCES CORP., 1196823
ALBERTA LTD., 1288916 ALBERTA LTD.,
1398850 ALBERTA LTD., 15836621
ALBERTA LTD., 1636527 ALBERTA LTD.,
AVENEX ENERGY PARTNERSHIP,
AVENEX REAL ESTATE ACQUISITION
CORP., WESTBROOK MARKETING
LIMITED PARTNERSHIP (formerly
ELBOW RIVER MARKETING LIMITED
PARTNERSHIP), 1159002 ALBERTA LTD.
(formerly ELBOW RIVER MARKETING
CORP.), MEOTA 2000 PARTNERSHIP,
PACE OIL & GAS PARTNERSHIP, PACE
OIL RESOURCES LTD. AND SEAVIEW
ENERGY PARTNERSHIP**

DOCUMENT **ORDER: COMPLETION OF LIEN CLAIMS
PROCESS & APPROVAL OF LIEN
SETTLEMENTS**

ADDRESS FOR SERVICE AND **Josef G.A. Krüger, Q.C./Jessica L. Cameron**
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DOCUMENT **File No. 413255/000044**

I hereby certify this to be a true copy of
the original Order
Dated this 5 day of April
2017
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: January 5, 2017

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable K.M. Eidsvik

UPON the Application of Ernst & Young Inc., in its capacity as the court-appointed receiver (the **“Receiver”**) of all of the current and future property and undertakings of Spyglass Resources Corp. (**“Spyglass”**), 1196823 Alberta Ltd., 1288916 Alberta Ltd., 1398850 Alberta Ltd., 15836621 Alberta Ltd., 1636527 Alberta Ltd., Avenex Energy Partnership, Avenex Real Estate Acquisition Corp., Westbrook Marketing Limited Partnership (formerly Elbow River Marketing Limited Partnership), 1159002 Alberta Ltd., (formerly Elbow River Marketing Corp.), Meota 2000 Partnership, Pace Oil & Gas Partnership, Pace Oil Resources Ltd., and Seaview Energy Partnership (collectively, with Spyglass, the **“Debtors”**), for an order approving a lien claims process; **AND UPON** having read the Application, the Receiver’s Seventh Report, dated November 29, 2016 (the **“Seventh Report”**), the Affidavits of Service of each of Naomi Moker and Rhonda Lastockin, each filed December 5, 2016 (together the **“Service Affidavits”**), and the pleadings and proceedings filed herein, including the receivership order granted on November 26, 2015 (the **“Receivership Order”**); **AND UPON** hearing from counsel for the Receiver and any other interested party appearing at the Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of notice of this Application is abridged to the time actually given and service of the Application and supporting materials as described in the Service Affidavits is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
2. The notices of dispute in respect of the following lien claim references are hereby set aside:
 - (i) Reference # SGL0086 – Vic’s Ventures Ltd.; and
 - (ii) Reference # SGL0069 – Ronwood Enterprises Ltd.;
 (collectively, the **“Disputed Claimants”**).

3. For clarity, the Receiver shall have no obligation to remit any payment to the Disputed Claimants pursuant to the Notices of Disputes received under any of Reference #SGL0086 or Reference # SGL0069.
4. The settlement agreements entered into between the Receiver and Bidell Equipment Limited Partnership, Strike Energy Services Inc., and Rapid Rod Service Ltd., and respective payments made to each of them by the Receiver, as more particularly set-out at paragraphs 22 and 23 of the Seventh Report (collectively the “**Lien Settlements**”), are hereby approved and ratified. The Receiver is hereby authorized to take such further steps as are necessary to give effect to the Lien Settlements.
5. The lien claims process authorized in the order dated July 6, 2016 in respect of this matter (the “**Lien Claims Process**”) is hereby declared complete.
6. The activities of the Receiver taken over the course of the administration of the Lien Claims Process as set out in the Seventh Report are hereby ratified and approved.
7. The Receiver has satisfied its obligations under and pursuant to the orders granted in respect of the Lien Claims Process and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the settlement or dispute of any lien claim or notice of dispute, save and except for any liability arising out fraud, gross negligence or wilful misconduct on the part of the Receiver, unless leave of the Court is obtained. Subject to the foregoing, any and all claims against the Receiver in connection with the performance of its duties in respect of the Lien Claims Process are hereby stayed, extinguished and forever barred.
8. No action or other proceeding shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver in the Lien Claims Process, except with prior leave of this Court on Notice to the Receiver and upon such terms as this Court may direct.

Miscellaneous Matters

9. Service of this Order shall be deemed good and sufficient by serving the same on:

- (a) The persons listed on the Service List (attached as Schedule "A" to the Application); and
 - (b) By posting a copy of this Order on the Receiver's website at: www.ey.com/ca/spyglassresources.
10. No other Persons are entitled to be served with a copy of this Order.
11. Service of this Order shall be deemed good and sufficient regardless of whether service is effected by PDF copy attached to an email, facsimile, courier, personal delivery or ordinary mail.

"K.M. Eidsvik"

Justice of the Court of Queen's Bench of
Alberta