Form 27
[Rules 6.3 and 10.52(1)]

CLERK OF THE COURT
FILED
JAN 25 2016
CALGARY, ALBERTA

Clerk's Stamp

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	**APPLICATION BY RECEIVER: APPROVAL OF SALES**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Josef G.A. Krüger, Q.C./Jessica L. Cameron
Borden Ladner Gervais LLP
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File No. 413255/000044

NOTICE TO RESPONDENTS: See Service List, Schedule "A" to this Application

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

You have the right to state your side of this matter before the master/judge.

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

Date	February 1st, 2016
Time	2:00 pm
Where	Calgary Courts Centre, 601-5th Street SW, Calgary AB
Before Whom	The Honourable Justice Macleod

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

Remedy claimed or sought:

1. Ernst & Young Inc., in its capacity as the court-appointed receiver and manager (the "**Receiver**") of 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 Ld., (formerly Elbow River Marketing Corp.), Meota 2000 Partnership, Pace Oil & Gas Partnership, Pace Oil Resources Ltd., and Seaview Energy Partnership (collectively, "**Spyglass**"), seeks an Order:

   (a) Declaring service of this Application good and sufficient, and abridging the time for notice of this Application to the time actually given, if necessary;

   (b) Approving and authorizing the sale of the Herronton Property (as defined in the Second Report of the Receiver, dated January 25, 2016 (the "**Second Report**")) pursuant to the Asset Purchase and Sale Agreement between Spyglass and Journey Energy Partnership by its managing partner Journey Energy Inc. ("**Journey**"), dated January 22, 2016 (the "**Journey APA**"), a redacted copy of which is attached to the Second Report and an unredacted copy of which is attached to the Confidential Supplement to the Receiver's Second Report, dated January 25, 2016 (the "**Confidential Report**");

(c) Approving and authorizing the sale of the Deer Mountain Property (as defined in the Second Report) pursuant to the Asset Purchase and Sale Agreement between Spyglass and New North Resources Ltd. ("**New North**"), dated January 25, 2016 (the "**New North APA**"), a redacted copy of which is attached to the Second Report and an unredacted copy of which is attached to the Confidential Report; and

(d) Approving sale and vesting orders with respect to each of the Journey APA and the New North APA in substantially the same form as attached hereto as **Schedule "B"**; and

(e) Sealing the Confidential Report, including all exhibits, schedules and attachments thereto.

2. Such further and other relief as Counsel may advise and this Honourable Court permit.

Grounds for making this application:

Background

3. The Receiver was appointed as receiver and manager of Spyglass pursuant to an Order of this Honourable Court dated November 26, 2015 (the "**Receivership Order**").

4. Prior to the Receivership Order, Spyglass was engaged in the acquisition, enhancement and exploration of conventional oil and gas projects in Alberta. As of the granting of the Receivership Order, Spyglass had an interest in approximately 2,500 producing oil wells in Alberta. Spyglass was the operator of its core facilities. The Debtors' operations produced approximately 9,300 barrels of oil equivalent per day. The particulars of Spyglass' operations are set out at paragraphs 11 to 22 of the Receiver's First Report, dated January 20, 2016.

5. Prior to the granting of the Receivership Order, Spyglass was experiencing financial difficulties due primarily to the extended depressed market prices for oil and gas. Spyglass attempted to alleviate its financial difficulties by engaging in a broad disposition process for core and non-core assets. Due to insufficient liquidity, Spyglass was unable to continue this disposition process and unable to close a transaction, prompting its primary secured lender, the National Bank of Canada as agent for a syndicate of lenders (the "**Syndicate**"), to successfully petition Spyglass into receivership.

6. Since its appointment, the Receiver has continued to operate Spyglass' business.

7. On January 25, 2016, the Receiver obtained Court approval to engage in an extensive sales and solicitation process ("**SISP**") to market for sale certain of Spyglass' oil and gas assets as specified Packages (as defined in the SISP). In addition, on January 25, 2016 the Court also approved an agreement between the Receiver and the Alberta Energy Regulator ("**AER**") with respect to the transfer of Spyglass' licenses pertaining to its Licensed Property (as defined in the SISP) where its LMR (as defined in the SISP) rating is less than 1.0 at the time of the transfer of the licenses, or as a result of the transfer of the licenses (the "**AER Agreement**"). Both the SISP and the AER Agreement are attached as Schedules to the Court Order granted on January 25, 2016.

8. The deadline for the receipt of bids under the SISP is March 10, 2016 (the "**Bid Deadline**").

9. The Receiver is facing liquidity issues with Spyglass' cash flows, given the further decline in commodity prices since its appointment. As of January 25, 2016, the Receiver's estimated monthly cash flow indicates a loss of approximately $2 million per month. The Receivership is currently being funded by way of Receiver's Borrowings in the form of a $7 million advance from the Syndicate.

10. In order to conduct the SISP without having to obtain further borrowings from the Syndicate, the Receiver is seeking to complete a few minor asset transactions prior to the Bid Deadline of March 10, 2016.

Approval of Sale to Journey

11. Prior to the within Receivership proceedings, and obtaining approval of the SISP, on or about November 1, 2015, Spyglass began marketing for sale certain of its assets, including its Southern Alberta Assets, which include the Herronton Property. Spyglass received several non-binding letters of intent.

12. Subsequent to its appointment, the Receiver reviewed the non-binding letters of intent received by Spyglass in its pre-Receivership sales process. Based upon this review, the Receiver believes that the marketing performed by Spyglass prior to its Receivership sufficiently canvassed the market. The Receiver is of the view that re-marketing the Herronton Property under the SISP will not produce a better offer.

13. As a result, on January 22, 2016, the Receiver entered into the Journey APA, resulting in the sale of the Herronton Property to Journey (the "**Journey Transaction**"). The material terms of the Journey Transaction are more particularly set out in the Second Report.

14. In light of the Receiver's liquidity crisis, the Receiver believes that the Journey Transaction is commercially reasonable, in the best interests of Spyglass' creditors and other stakeholders, and will maximize available recovery to creditors.

15. Spyglass is not the operator of any of the wells, pipelines or facilities subject to the Journey Transaction. As a result, no license transfer applications will be submitted to the AER with respect to transferring any AER licenses from Spyglass to Journey. As a result, Spyglass' licensee management rating ("**LMR**"), being the ratio of its deemed assets to its deemed liabilities in the AER's Licensee Liability Rating Program, Large Facility Liability Management Program and Oilfield Waste Liability Program, is unaffected by the Journey Transaction.

Approval of Sale to New North

16. Spyglass began marketing the Deer Mountain Property in May of 2014, prior to the within Receivership proceedings and granting of the SISP. Since that time, a total of 7 companies have executed confidentiality agreements with respect to performing due diligence on the Deer Mountain Property.

17. Subsequent to its appointment, the Receiver received a non-binding letter of intent with respect to the Deer Mountain Property from New North.

18. The Receiver is of the view that re-marketing the Deer Mountain Property under the SISP will not produce a better offer than the offer received from New North.

19. As a result, on January 25, 2016, the Receiver entered into the New North APA, resulting in the sale of the Deer Mountain Property to New North (the "**New North Transaction**"). The material terms of the New North Transaction are more particularly set out in the Second Report.

20. In light of the Receiver's liquidity crisis, the Receiver believes that the New North Transaction is commercially reasonable, in the best interests of Spyglass' creditors and other stakeholders, and will maximize available recovery to creditors.

21. Spyglass is not the operator of any of the wells, pipelines or facilities subject to the New North Transaction. As a result, no license transfer applications will be submitted to the AER with respect to transferring any AER licenses from Spyglass to New North. As a result, Spyglass' LMR is unaffected by the New North Transaction.

Sealing Order

22. The Confidential Report contains commercially sensitive information of Spyglass that if disseminated could adversely affect the SISP should either the Journey Transaction or the New North Transaction fail to close.

23. The Sealing Order sought is the least restrictive and prejudicial alternative to prevent dissemination of Spyglass' commercially sensitive information.

24. It is fair and just in the circumstances to restrict public access to the Confidential Report on the terms set out in the proposed sealing order, referenced in paragraph 15 of the template sale approval and vesting order attached as Schedule "B" hereto.

25. Such further and other basis as Counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

26. The Second Report of the Receiver, dated January 25, 2016.

27. The Confidential Supplement to the Receiver's Second Report, dated January 25, 2016.

28. The First Report of the Receiver, dated January 18, 2016.

29. The pleadings previously filed in these proceedings.

Applicable rules:

30. Alberta *Rules of Court*, AR 124/2010, and in particular Rules 1.3, 3.75, 6.3, 6.4, 11.27, 11.29 and 13.5.

31. *Bankruptcy and Insolvency General Rules*, and in particular Rules 3, 6 and 11.

32. Such further and other rules as Counsel may advise and this Honourable Court permit.

Applicable Acts and regulations:

33. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and in particular Part XI thereof.

34. Such further and other acts and regulations as Counsel may advise and this Honourable Court permit.

Any irregularity complained of or objection relied on:

35. None.

How the application is proposed to be heard or considered:

36. In person before the Honourable Justice Macleod, with some or all of the parties present.

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 at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

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*, RSC1985, C B-3, AS AMENDED
PLANTIFF	**NATIONAL BANK OF CANADA, IN ITS CAPACITY AS ADMINSTRATIVE AGENT UNDER THAT CERTAIN AMENDED AND RESTATED CREDIT AGREEMENT DATED JUNE 30, 2015, AS AMENDED**
DEFENDANTS	**SPYGLASS RESOURCES CORP. ET AL**

Firm/Company	**Email**	**Phone**	**Party Represented**
Alberta Energy Regulator Suite 1000, 250 – 5 Street SW Calgary AB, T2P 0R4 **Carole Hachey, Patricia Johnston & Keely Cameron**	Carole.Hachey@aer.ca Patricia.Johnston@aer.ca Keely.Cameron@aer.ca	(403) 297-8448	**Alberta Energy Regulator**
B.C. Oil & Gas Commission PO Box 9331 Stn Prov Govt, Victoria BC, V8W 9N3 **Mike Janzen**	Mike.Janzen@bcogc.ca	(250) 419-4464 Fax: (250) 419-4403	**B.C. Oil & Gas Commission**
Orphan Well Association 1000, 250 - 5th Street SW Calgary AB T2P 0R4 **Pat Payne, P.Eng**	pat.payne@aer.ca	(403) 297-8981	**Orphan Well Association**
Blake, Cassels & Graydon LLP 855 – 2nd Street SW Bankers Hall East Tower Calgary, AB T2P 4J8 **Kelly Bourassa** **Ryan Zahara**	kelly.bourassa@blakes.com ryan.zahara@blakes.com	(403) 260-9697 (403) 260-9628	**National Bank of Canada, in its capacity as Administrative Agent under that certain amended and restated Credit Agreement, dated June 30, 2015, as amended**
Borden Ladner Gervais LLP 1900, 520 – 3rd Avenue SW Calgary, AB T2P 0R3 **Josef G.A. Krüger, Q.C.** **Jessica L. Cameron**	jkruger@blg.com jcameron@blg.com	(403) 232-9563 (403) 232-9715	**Receiver, Ernst & Young Inc.**

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Canadian Natural Resources Limited Suite 2100, 855 – 2nd Street SW Calgary, AB T2P 4J8 **Jelena Molnar**	jelena.molnar@cnrl.com	(403) 716-6202	**Canadian Natural Resources Limited**
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City of Medicine Hat 364 Kipling Street SE Medicine Hat AB, T1A 1Y4 **Ben Bullock & Shirley Lehr**	BENBUL@medicinehat.ca SHILEH@medicinehat.ca	(403) 529-8190	**City of Medicine Hat**

Schedule "B"

Clerk's Stamp

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 B3 AS AMENDED
APPLICANT	**NATIONAL BANK OF CANADA, IN ITS CAPACITY AS ADMINISTRATIVE AGENT UNDER THAT CERTAIN AMENDED AND RESTATED CREDIT AGREMENET DATED JUNE 30, 2015, AS AMENDED**
RESPONDENT(S)	**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 PARNTERSHIP (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	**APPROVAL & VESTING ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Josef G.A. Krüger, Q.C./Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9774 Facsimile: (403) 266-1395 Email: JKruger@blg.com /RGurofsky@blg.com File No. 413255-000044

DATE ON WHICH ORDER WAS PRONOUNCED: January ___, 2016

NAME OF JUSTICE WHO MADE THE ORDER: The Honourable Justice ____________

LOCATION OF HEARING: Calgary, Alberta

UPON the application of Ernst & Young Inc., in its capacity as the court-appointed receiver and manager (the "**Receiver**") of Spyglass Resources Corp. (the "**Borrower**"), 1196823 Alberta Ltd., 1288916 Alberta Ltd., 1398850 Alberta Ltd., 1583662 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 the Borrower, the "**Debtors**") for an Order approving the sale transaction contemplated by the Asset Purchase and Sale Agreement (the "**APA**") between the Receiver as vendor (the "**Vendor**") on behalf of the Borrower, and ________________ (the "**Purchaser**"), made as of ______________, 2016 and appended to the Second Report of the Receiver dated January 25, 2016 (the "**Second Report**"); **AND UPON** having read the Application, the Second Report, the Confidential Supplement to the Second Report dated January 25, 2016 (the "**Confidential Report**"), the Affidavit of Service of ______________ dated _________________, 2016 (the "**Service Affidavit**"), and the pleadings and proceedings filed herein, including the Receivership Order granted on November 26, 2015, as amended (the "**Receivership Order**"); **AND UPON** hearing counsel for the Receiver, the Purchaser, National Bank of Canada in its capacity as Administrative Agent for and on behalf of a group of lenders under an Amended and Restated Credit Agreement dated June 30, 2015 (the "**Lender**"), and any other interested party appearing at the Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of notice of this application is abridged to the time actually given and service of the Application and supporting material as described in the Service Affidavit is hereby declared to be good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.

Capitalized Terms

2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the APA.

Actions of the Receiver

3. The actions taken by the Receiver to date, and in particular the actions of the Receiver regarding the sale of the Assets, as reported in the Second Report, and the Confidential Report, are hereby approved and ratified.

Approval of the APA and the Transaction

4. The Transaction and the APA are commercially reasonable and in the best interests of the Borrower, the Debtors and their stakeholders. The Transaction is hereby approved and the execution of the APA by the Receiver is hereby authorized and approved, and the Receiver is authorized and directed to take such additional steps and execute such additional documents and make such minor amendments to the APA as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Assets to the Purchaser.

Vesting of Property

5. Upon the delivery of a Receiver's Certificate to the Purchaser (or its nominee), substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), subject only to approval of the transfer of applicable licenses, permits and approvals by the appropriate government authorities pursuant to the legislation, all of the Borrower's right, title and interest in and to the Assets as described in the APA including those listed on Schedule "B" hereto shall vest absolutely in the Purchaser (or its nominee), as contemplated by the APA, free and clear of and from any and all security interests (whether contractual, statutory, registered or otherwise), hypothecs, caveats, interests, mortgages, trusts or deemed trusts (whether contractual, statutory, registered or otherwise), liens, encumbrances, executions, levies, charges, or other financial or monetary claims, assignments, actions, taxes, judgments, writs of execution, options, agreements, disputes, debts, debentures, easements, covenants, encumbrances or other rights, limitations or restrictions of any nature whatsoever including, without limitation, any rights or interests of any creditors of the Debtor, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, registered or otherwise and whether by payment, set off or

otherwise, whether liquidated, unliquidated or contingent (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

a) any encumbrances or charges created by the Receivership Order;

b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), (the "**PPSA**") or any other personal property registry system; and

c) those Claims listed on Part A - Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**"), which term shall not include the permitted encumbrances, caveats, interests, easements and restrictive covenants listed on Part B - Schedule "C" (the "**Permitted Encumbrances**");

and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Assets and all charges, security interests or Claims evidenced by registrations pursuant to the PPSA, are hereby expunged, ordered removed and otherwise unconditionally discharged and terminated as against the Assets.

6. The Receiver is hereby authorized and directed to take all necessary steps and execute any and all documents to effect any and all discharges and the registrars and all other persons in control or otherwise supervising such offices of registration or recording shall forthwith remove and discharge all such registrations.

7. No further authorization or approval or any other action by any authority or regulatory body exercising jurisdiction over the Assets shall be required for the closing and post-closing implementation of the Transactions contemplated in the APA.

8. For further certainty, upon delivery of the Receiver's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, the appropriate government authorities are hereby directed to register such transfers, interest authorizations, discharges, discharge statements of conveyances, as may be required to convey clear title to the assets to the Purchaser subject only to the Permitted Encumbrances. Without limiting the foregoing, the Registrar of Land Titles of Alberta (the "**Registrar**") is hereby authorized, requested and directed to cancel the existing Certificates of Title listed in Schedule "D" to this Order, and to issue new Certificates of Title in the name of the Purchaser (or its nominee), and to register such transfers,

discharges, discharge statements of conveyances, as may be required to convey clear title to the Purchaser (or its nominee), which Certificates of Title shall be subject only to those encumbrances (the "**Permitted Encumbrances**") listed on Part B – Schedule "C" hereto.

9. This Order shall be registered by the Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.

10. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Assets and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

11. Except as provided for in the APA, the Purchaser (or its nominee) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Vendor, the Borrower, the Debtor or any Affiliate of the Vendor, the Borrower or the Debtor, and the Purchaser (or its nominee) shall not be deemed a successor of or to the Borrower, the Debtor or any of its Affiliates for any Claims of any kind or nature whatsoever against the Debtor or any of its Affiliates or in the Assets.

10. Upon completion of the Transaction, the Borrower, the Debtor and all persons who claim by, through or under the Borrower and the Debtor in respect of the Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or Claim in respect of or to the Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate or interest in and to the Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Assets for its own use and benefit, without any interference of or by the Borrower or Debtor or any person claiming by, through or against the Borrower or the Debtor.

12. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Vendor, the Borrower or the Debtor.

13. The Receiver is directed to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee).

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendor.

Sealing Order

15. The Confidential Report shall immediately be sealed by the Clerk of the Court, kept confidential and not form part of the public record, and not be available for public inspection unless and until otherwise ordered by this Court, upon seven days' notice to all interested parties. The Confidential Report shall be sealed and filed in an envelope containing the following endorsement thereon:

> THIS ENVELOPE CONTAINS THE CONFIDENTIAL SUPPLEMENT TO THE RECEIVER'S SECOND REPORT DATED JANUARY 25TH, 2016, WHICH SHALL BE SEALED FOR A PERIOD OF THREE (3) MONTHS PURSUANT TO AN ORDER ISSUED BY THE HONOURABLE JUSTICE MACLEOD DATED FEBRUARY 1ST, 2016, AND IS NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICALLY ACCESSIBLE.

Miscellaneous Matters

16. Notwithstanding:

a) the pendency of these proceedings and the declaration of insolvency made herein;

b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;

c) any assignment in bankruptcy made in respect of the Debtor; and

d) the provisions of any federal or provincial statute:

the vesting of the Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect the Borrower or the Debtor and shall not be void or voidable by creditors of the Borrower or the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

17. The Receiver, the Purchaser (or its nominee) and any other interested party shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

18. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

   a. the persons listed on the service list created in these proceedings;

   b. the Purchaser or on the Purchaser's solicitors; and

   c. by posting a copy of this Order on the Receiver's website at: http://www.ey.com/ca/spyglassresources;

and service on any other Person is hereby dispensed with.

____
Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"	FORM OF RECEIVER'S CERTIFICATE
SCHEDULE "B"	PURCHASED ASSETS
SCHEDULE "C"	ENCUMBRANCES AND CLAIMS
	Part A Non-Permitted Encumbrances
	Part B Permitted Encumbrances
SCHEDULE "D"	CERTIFICATES OF TITLE

SCHEDULE "A"

FORM OF RECEIVER'S CERTIFICATE PURSUANT TO PARAGRAPH 5 OF THIS VESTING ORDER

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 B3 AS AMENDED
APPLICANT	**NATIONAL BANK OF CANADA, IN ITS CAPACITY AS ADMINISTRATIVE AGENT UNDER THAT CERTAIN AMENDED AND RESTATED CREDIT AGREMENET DATED JUNE 30, 2015, AS AMENDED**
RESPONDENT(S)	**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 PARNTERSHIP (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	**<u>RECEIVER'S CERTIFICATE</u>**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Josef G.A. Krüger, Q.C./Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9774 Facsimile: (403) 266-1395 Email: JKruger@blg.com /RGurofsky@blg.com File No. 422442-000031

RECITALS:

A. Pursuant to an Order of the Honourable Justice G.C. Hawco of the Court of Queen's Bench of Alberta (the "**Court**") dated November 26, 2015, Ernst and Young Inc. was appointed as the receiver and manager (the "**Receiver**") of the undertaking and property of among others, Spyglass Resources Corp ("**Spyglass**").

B. Pursuant to an Order of the Court dated February 1st, 2016, the Court approved the agreement of purchase and sale (the "**Sale Agreement**") made between the Receiver and ____________________ (the "**Purchaser**") and provided for the vesting in the Purchaser of Spyglass' right, title and interest in and to the Assets as defined in the Sale Agreement, which vesting is to be effective upon the delivery by the Receiver to the Purchaser of a certificate confirming:

(i) the payment by the Purchaser of the Purchase Price for the Assets; and

(ii) the transaction contemplated pursuant to the Sale Agreement has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms not otherwise defined have the meaning attributed to them in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Assets, payable at the Closing pursuant to the Sale Agreement;

2. Any conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and/or the Purchaser where applicable; and

3. The transaction contemplated by the Sale Agreement has been completed.

This Certificate was delivered by the Receiver at Calgary, Alberta on February ___, 2016.

ERNST AND YOUNG INC.. in its capacity as court appointed receiver of the assets and undertaking of SPYGLASS RESOURCES CORP. and not in its personal capacity.

Per: ______________________________

Neil Narfason
Partner, Senior Vice President

SCHEDULE "B"

PURCHASED ASSETS

SCHEDULE "C"

ENCUMBRANCES AND CLAIMS

Part A – Non-Permitted Encumbrances

Part B – Permitted Encumbrances

SCHEDULE "D"

CERTIFICATES OF TITLE