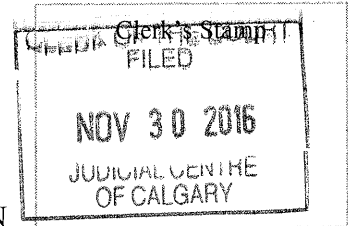


COURT FILE NUMBER **1501-13786**
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary



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:
Completion of Lien Claims Process**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT **Josef G.A. Krüger, Q.C./Jessica L. Cameron
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9563/9715
Facsimile: (403) 266-1395
Email: jkruger@blg.com/jcameron@blg.com
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	January 5, 2017
Time	10:00 a.m.
Where	Calgary Courts Centre, 601-5 th Street SW, Calgary AB
Before Whom	The Honourable Justice K.M. Eidsvik

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 (the “**Receiver**”) 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**”), seeks an Order in substantially the form attached hereto as **Schedule “B”**, for the following relief:
 - (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) Declaring and confirming that the Lien Claims Process (as defined below) is complete;
 - (c) Setting aside the following notices of dispute filed by the persons set forth below as they are invalid lien claims:
 - (i) Reference # SGL0007 – Ambush Enterprises Ltd.;
 - (ii) Reference # SGL0086 – Vic’s Ventures Ltd.;
 - (iii) Reference # SGL0039 – Greg’s Water Hauling; and
 - (iv) Reference # SGL0069 – Ronwood Enterprises Ltd.;
 - (d) Approving and ratifying the Lien Settlements (as defined below), and payments made thereunder, as more particularly set forth in paragraphs 22 and 23 of the Seventh Report of the Receiver, dated November 29, 2016, (the “**Seventh Report**”);

- (e) Solicitor-client full indemnity costs against any of the claimants identified above in paragraph 1(c) which oppose this Application; and
- (f) Such further and other relief as Counsel may advise and this Honourable Court may permit.

Grounds for making this application:

Background

2. The Receiver was appointed as receiver of the Debtors pursuant to an Order of this Honourable Court dated November 26, 2015 (the “**Receivership Order**”).
3. Prior to the Receivership Order, the Debtors were engaged in the acquisition, enhancement and exploration of conventional oil and gas projects in Alberta. As of the granting of the Receivership Order, the Debtors 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 9,000 barrels of oil equivalent per day. The particulars of Spyglass’ operations are set-out at paragraphs 11 to 22 of the First Report of the Receiver, dated January 20, 2016 (the “**First Report**”).
4. Prior to the granting of the Receivership Order, the Debtors were experiencing financial difficulties due primarily to the extended depressed market prices for crude oil, natural gas and other petroleum products. The Debtors attempted to alleviate their financial difficulties by engaging in a broad disposition process for core and non-core assets. Due to insufficient liquidity, the Debtors were unable to continue this disposition process and unable to close a transaction, prompting the Syndicate to successfully petition the Debtors into receivership.
5. On May 16, 2016, the Receiver obtained this Court’s approval with respect to a sale of all of the Debtor’s remaining assets. The transaction closed on June 15, 2016. The net sale proceeds from the transaction are insufficient to fully repay the Debtors’ first secured creditor, being a syndicate of lenders (the “**Syndicate**”).

Overview of Lien Claims Process

6. As a result of the numerous lien claims registered against the Debtors’ lands and mineral interests received by the Receiver, and the extensive mineral interests held by the Debtors, the Receiver determined that a lien claims process would be the most efficient and cost-effective mechanism to ensure that all lien claims are accounted for and proper distributions made.

7. In order to ensure that the Receiver had received all lien claims that had been registered against the Debtors' mineral interests, the Receiver sought and obtained an Order from this Honourable Court, dated July 6, 2016, establishing a lien claims process (the "**Lien Claims Process Order**").
8. A summary of the claims received by the Receiver in accordance with the Lien Claims Process Order is as follows:
 - (a) A total of 113 companies submitted a Proof of Claim Form;
 - (b) Of the 113 Proof of Claim Forms submitted,
 - (i) 91 of the claimants had not registered a lien right and were unsecured creditors;
 - (ii) Twelve of the claimants had not registered a lien right, but were claims submitted by Spyglass' joint venture partners for balances owing before and, in certain cases after, November 26, 2015. The Receiver is addressing these claims outside of the Lien Claims Process ("**JV Claimants**");
 - (iii) Eight claims were submitted by registered lien claimants ("**Registered Lien Claimants**"); and
 - (iv) Two of the claimants, who had not registered a lien right, submitted claims for annual surface or mineral lease payments, which have since been clarified and settled by the Receiver.
9. As of October 11, 2016, the Receiver and its counsel, Borden Ladner Gervais LLP ("**BLG**"), had received ten Notice of Disputes from claimants, disputing the Receiver's revision or disallowance of their claims. Of the ten Notices of Dispute all but four have been settled or withdrawn. The settled Notices of Dispute are discussed below.
10. The Notices of Dispute that remain outstanding are as follows:
 - (a) Reference # SGL0007 – Ambush Enterprises Ltd. (the "**Ambush Claim**");
 - (b) Reference # SGL0086 – Vic's Ventures Ltd. (the "**Vic Claim**");
 - (c) Reference # SGL0039 – Greg's Water Hauling; (the "**Water Claim**" and together with the Ambush Claim and the Vic Claim the "**Unsecured Claims**"); and
 - (d) Reference # SGL0069 – Ronwood Enterprises Ltd. (the "**Ronwood Claim**").
11. The Unsecured Claims are not lien claims but rather are unsecured claims. As insufficient proceeds have been generated to repay the Syndicate, the Receiver does not anticipate that any distributions will be made to unsecured creditors of Spyglass' estate. The Receiver has communicated this to each of the Unsecured Claimants and requested that they withdraw their

respective Notice of Disputes. The Receiver has not received a reply to its requests and is seeking this Honourable Court's assistance in setting aside these Notice of Disputes and confirming that the Receiver has no obligation to remit any payment to them pursuant to the Lien Claims Process.

12. Ronwood Enterprises Ltd. ("**Ronwood**") asserts that it has a lien claim against Spyglass as a result of a prevenient arrangement with Spyglass. Ronwood asserts that it has continued to provide lienable services for Spyglass, and as such, its limitation within which to file a lien did not begin to run.
13. Ronwood has not provided services for Spyglass since, at the very latest, the closing of the transaction on June 15, 2016. Any subsequent services were provided to the purchaser of Spyglass' property, being SanLing Energy Ltd. ("**SanLing**"). The last invoice provided by Ronwood to the Receiver was dated June 14, 2016. Ronwood began invoicing SanLing with respect to its services on July 6, 2016.
14. Ronwood submitted a claim in Spyglass' lien claims process without a registered lien. Its claim was disallowed by the Receiver as a result of the fact that it needed to have a registered interest in order to have priority over the Syndicate. The Alberta *Builders' Lien Act* requires lien claimants to register a lien claim against oil and gas assets within 90 days' of the last date of work provided. Therefore, Ronwood had until September 15, 2016 to register a lien claim and they have failed to do so.
15. The Receiver has requested that Ronwood withdraw its Notice of Dispute on this basis and Ronwood has failed to do so. As a result, the Receiver is seeking this Honourable Court's assistance in setting aside Ronwood's Notice of Dispute and confirming that the Receiver has no obligation to remit any payment to it pursuant to the Lien Claims Process.
16. The Receiver has entered into and carried out the terms of three lien claim settlements with Bidell Equipment Limited Partnership, Strike Energy Services Inc., and Rapid Rod Services Ltd., as more particularly set forth in the Seventh Report at paragraphs 22 and 23 (collectively, the "**Lien Settlements**").
17. The Receiver is of the view that the Lien Settlements were in the best interests of the stakeholders, as they resulted in a cost-effective resolution to the respective Notices of Dispute. The Receiver asks that the Lien Settlements and the amounts paid thereunder be approved and ratified.

Material or evidence to be relied on:

18. The Seventh Report of the Receiver, dated November 29, 2016.
19. The pleadings and Receiver's Reports previously filed in these proceedings, and in particular the Sixth Report of the Receiver, dated October 17, 2016 and the Fifth Report of the Receiver, dated June 27, 2016.
20. Such further and other evidence as counsel may advise and this Honourable Court permit.

Applicable rules:

21. *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.
22. *Bankruptcy and Insolvency General Rules*, and in particular Rules 3, 6 and 11.
23. Such further and other rules as Counsel may advise and this Honourable Court permit.

Applicable Acts and regulations:

24. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and in particular Part XI thereof.
25. *Builders' Lien Act*, RSA 2000, c B-7.
26. Such further and other acts and regulations as Counsel may advise and this Honourable Court permit.

Any irregularity complained of or objection relied on:

27. None.

How the application is proposed to be heard or considered:

28. In person before the Honourable Justice K.M. Eidsvik, 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"

Service List

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 ADMINISTRATIVE 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 – 2 nd 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 – 3 rd Avenue SW Calgary, AB T2P 0R3 Josef G.A. Krüger, Q.C. Jessica L. Cameron Robyn Gurofsky	jkruger@blg.com jcameron@blg.com rgurofsky@blg.com	(403) 232-9563 (403) 232-9715 (403)-232-9774	Receiver, Ernst & Young Inc.

Ernst & Young Inc. 1000, 440 - 2nd Avenue SW Calgary, AB T2P 5E9 Neil Narfason Cassie Riglin Duncan MacRae	neil.narfason@ca.ey.com cassie.riglin@ca.ey.com duncan.macrae@ca.ey.com	(403) 206-5061	Receiver
Norton Rose Fulbright Canada LLP 3700, 400 3rd Avenue SW, Calgary AB T2P 4H2 Howard Gorman, QC	howard.gorman@nortonrosefulbright.com	(403) 267-8144	Spyglass Resources Corp.
ARC Resources Ltd. 1200, 308-4th Avenue SW Calgary, AB, T2P 0H7 Colleen Abel	CAbel@arcresources.com	(403) 503-8600	ARC Resources Ltd.
Aspenleaf Energy Limited 2100, 240-4 Avenue SW Calgary, AB, T2P 4H4 Mitch Baba	mitch.baba@aspenleafenergy.com	(403) 262-0321 Fax: (587) 349-1180	Aspenleaf Energy Limited
Burnet Duckworth & Palmer LLP 2400, 525-8 Avenue SW Calgary, AB T2P 1G1 Carole J. Hunter	chunter@bdplaw.com	(403) 260-0368	Wolf Coulee Resources Inc.
Canadian Natural Resources Limited Suite 2100, 855 – 2 nd Street SW Calgary, AB T2P 4J8 Jelena Molnar	jelena.molnar@cnrl.com	(403) 716-6202	Canadian Natural Resources Limited
Grizzly Resources Ltd. 324-8 Avenue SW Calgary, AB T2P 2Z2 Jean MacLean	jmaclean@grizzlyresources.com	(403) 237-9600	Grizzly Resources Ltd.
Miller Thomson LLP #3000, 700 - 9th Avenue S.W. Calgary, AB T2P 3V4 Kent Anderson, Q.C.	kanderson@millerthomson.com	(403) 298-2408	Tuscany Energy Ltd.

PrairieSky Royalty Ltd. 1700, 350-7 Avenue SW Calgary AB T2P 3N9 Jennifer Martin Dale Percy	Jennifer.martin@prairiesky.com Dale.percy@prairiesky.com	(587) 293-4062	PrairieSky Royalty Ltd.
Pulse Seismic 2400, 639-5 Avenue SW Calgary, AB T2P 0M9 Trevor Meier	Trevor.meier@pulseseismic.com	(403) 237-5559	Pulse Seismic
Timberline Ventures Ltd. 1700, 200-2 nd Street SW Calgary, AB T2P 0C1 James Long	timberlineventures@gmail.com		Timberline Ventures Ltd.
Xerox Canada Ltd. 33 Bloor St E Toronto, ON M4W 3H1 Stephanie Grace	Stephanie.grace@xerox.com	(416) 972-7072	Xerox Canada Ltd.
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
Royal Bank of Canada 339 – 8 th Avenue SW Calgary, AB T2P 1C4 Tom Harland	tom.harland@rbc.com	(403) 292-7379	Royal Bank of Canada
Lubrizol Corporation 29400 Lakeland Blvd Wickliffe, OH, 44092 Lisa Goodwin	Lisa.Goodwin@Lubrizol.com	440-347-5766	Lubrizol Corporation
Code Hunter LLP 850, 440-2 Avenue SW Calgary, AB T2P 5E9 Christian J. Popowich	Christian.popowich@codehunterllp.com	(403) 716-2379	Eagle Energy Inc.

Brownlee LLP 2200, Commerce Place 10155 102 Street Edmonton, AB T5J 4G8 Gregory G. Plester	gplester@brownleelaw.com	(780) 497-4800	Mackenzie County
TORYS LLP 79 Wellington Street West Suite 300, TD Centre Toronto, Ontario M5K 1N2 Adam M. Slavens	aslavens@torys.com	(416) 865-7333	ENMAX Corporation and its affiliates
Leonard Zaseybida & Associated Petroleum & Gas Consultants 3602 1A Street SW Calgary, AB, T2S 1R5	leoz@telus.net	(403) 252-1700	
Rapid Rod Service Ltd. c/o Fasken Martineau 3400, 350-7 Avenue SW Calgary, AB T2P 3N9 David Both	dboth@fasken.com	(403)261-5507	Rapid Rod Service Ltd.
Precision Limited Partnership c/o Carscallen LLP 1500-407-2 Street SW Calgary, AB T2P 2Y3 Glenn Blackett	blackett@carscallen.com	(403)298-8474	Precision Limited Partnership
Jacar Energy Services, a division of Cascade Energy Services L.P. c/o Robb &Evenson PC 506, 933-17 Avenue SW Calgary AB T2T 5R6 Calvin Robb	crobb@robbevenson.com	(403) 541-1600	Jacar Energy Services, a division of Cascade Energy Services L.P.
Department of Justice, Tax Law Services, Prairie Region 601, 606-4th Street SW Calgary AB, T2P 1T1 Jill Medhurst-Tivadar	Jill.Medhurst@justice.gc.ca		Canada Revenue Agency

Bidell Equipment Limited Partnership c/o McLeod Law LLP, Suite 300, 14505 Bannister Road SE, Calgary, AB, T2X 3J3 Shane King General Counsel : Cam Danyluk	sking@mcleod-law.com cdanyluk@totalenergy.ca		Bidell Equipment Limited Partnership
Sage Energy Corp. 261122 Wagon Wheel Crescent, Rocky View County, AB, T4A 0E2 Karen Narfason	Karen.narfason@sageenergy.ca	(403) 250-8810	Sage Energy Corp.
GE VFS Canada Limited Partnership 2300 Meadowvale Blvd, Suite 200 Mississauga ON, L5N 5P9 Helena Miller	Helena.miller@ge.com	(905) 858-6450	GE VFS Canada Limited Partnership
Bull Moose Capital LP 500, 505-8 Ave SW, Calgary AB, T2P 1G2 David Aycock	daycock@bullmoosecapital.ca	(403) 234-7204	Bull Moose Capital LP
Jim Pattison Industries Ltd. 1235-73rd Ave SE, Calgary AB, T2H 2X1 Ion Lazar	Ion.lazar@jplease.com	(403) 212-8900	Jim Pattison Industries Ltd.
Altagas Processing Partnership 1700, 355-4th Ave SW, Calgary AB, T2P 0J1 Paul McLoughlin	Paul.mcloughlin@altagas.ca	(403) 691-9865	Altagas Processing Partnership
Enerflex Ltd. 10121 Barlow Trail NE, Calgary AB, T3J 3C6 Heather Kinghorn	hkinghorn@enerflex.com	(403) 291-3438	Enerflex Ltd.
ROYNAT INC. Suite 1500, 4710 Kingsway St. Burnaby, BC V5H 4M2	Fax # 604-646-2222		

Aird & Berlis LLP Brookfield Pl., 181 Bay Street Suite 1800, Box 754 Toronto ON, M5J 2T9 Harry Fogul	hfogul@airdberlis.com		Logan Leasing I, LLC and Longtrain Leasing I, LLC
Superior Propane, a Division of Superior Plus LP 1111 – 49th Avenue NE, Calgary AB, T2E 8V2	FAX # 403-730-7512		
Ambush Enterprises 6404-53 Street Taber, B T1G 2A2	ambushenterprises@hotmail.com	403-394-6177	
Vic's Ventures Ltd. R.R. #2, Site 2, Comp 9 Dawson Creek, BC V1G 4E8	vhubley@hotmail.com	250-782-3446	
Greg's Water Hauling 6004-53 Street Taber, AB T1G 1K4	pynel@shaw.ca	403-382-9440	
Ronwood Ent. Ltd. P.O. Box 600 Consort, AB T0C 1B0	Ronwood@xplornet.ca	403-577-2060	

Schedule “B”

Form of Proposed Order

COURT FILE NUMBER **1501-13786**

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE Calgary

Clerk's Stamp

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
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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
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
CONTACT INFORMATION
OF Calgary, AB T2P 0R3
Telephone: (403) 232-9563/9715
Facsimile: (403) 266-1395
PARTY FILING THIS Email:
DOCUMENT jkruger@blg.com/jcameron@blg.com
File No. 413255/000044

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 Affidavit of Service of Rhonda Lastockin, filed (the “**Service Affidavit**”), 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 Affidavit 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 # SGL0007 – Ambush Enterprises Ltd.;
 - (ii) Reference # SGL0086 – Vic’s Ventures Ltd.;
 - (iii) Reference # SGL0039 – Greg’s Water Hauling; and
 - (iv) 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 # SGL0007, Reference # SGL0086, Reference # SGL0039, 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.

Justice of the Court of Queen’s Bench of
Alberta