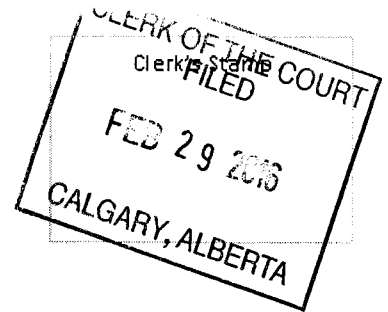


COURT FILE NUMBER 1501-13786
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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. 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**

DOCUMENT **THIRD REPORT OF THE RECEIVER**

February 29, 2016

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

RECEIVER

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INTRODUCTION

1. Ernst & Young Inc. was appointed as Receiver (the "**Receiver**") of the property, assets and undertakings (the "**Property**") of Spyglass Resources Corp., 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, "**Spyglass**" or the "**Company**") pursuant to an Order of this Honourable Court dated November 26, 2015 (the "**Receivership Order**").
2. The Receivership Order authorized the Receiver, among other things, to carry on the business of Spyglass, to sell, convey, transfer, lease or assign the Property out of the normal course of business, subject to approval of this Honourable Court for any transactions exceeding \$1.0 million, or the aggregate of multiple transactions exceeding \$5.0 million, and to make such arrangements or agreements as deemed necessary by the Receiver.
3. The purpose of this third report (the "**Third Report**") of the Receiver is to provide this Honourable Court with the Receiver's comments on the proposed sale transaction with Canadian Natural Resources Limited ("**CNRL**").

TERMS OF REFERENCE

4. Capitalized terms not defined in this Third Report are as defined in the Receivership Order.
5. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

6. 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 in Q3 2015. The particulars of Spyglass' operations are set out at paragraphs 11 to 22 of the Receiver's First Report, dated January 20, 2016.

7. 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.
8. Since its appointment, the Receiver has continued to operate Spyglass' business.
9. On January 25, 2016 the Receiver's applications for Court approval of: a) 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) and b) 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) 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**") will be heard. Both the SISP and the AER Agreement are attached as Schedules to the Receiver's First Report dated January 20, 2016.
10. The deadline for the receipt of bids under the SISP is March 10, 2016 (the "**Bid Deadline**").
11. In order to maximize the potential realizable value in the SISP (by selling a property that has a negative reserve value, negative 2015 cash flows and a negative LMR), the Receiver is seeking to complete a minor asset transaction prior to the Bid Deadline of March 10, 2016.

PROPOSED SALE TRANSACTION WITH CNRL

12. Prior to the within Receivership proceedings, the Company engaged National Bank Financial Inc. (the "**Financial Advisor**") to act as a financial advisor. Between October and early November 2015, the southern Alberta assets were marketed in their entirety by the Financial Advisor. Approximately 250 parties were contacted resulting in the receipt of 30 signed confidentiality agreements ("**CAs**") and 11 non-binding proposals (eight asset proposals and three package proposals).
13. CNRL submitted one of the non-binding asset proposals to the Financial Advisor for oil and gas properties located in southern Alberta, which included the Princess property (the "**Princess Property**").

14. Subsequent to its appointment, the Receiver signed a letter of intent with a third party on the entire southern Alberta package of properties. Ultimately the third party withdrew their offer on the entire southern Alberta asset package on January 19, 2016 as a result of the decline in commodity prices.
15. While negotiating with the third party on the southern Alberta package, the Company contacted CNRL to request they separate their offer for the Princess Property from the asset proposal previously submitted. CNRL conformed and submitted an offer for the Princess Property, and an LOI was signed by CNRL and the Receiver on February 2, 2016.
16. Subsequent to its appointment, the Receiver reviewed the entire pre-Receivership marketing process conducted by the Company through the Financial Advisor, including all the non-binding LOIs received by the Company in that process. Based upon this review, the Receiver believes that the marketing performed by the Financial Advisor and the Company prior to its Receivership sufficiently canvassed the market.
17. While parties currently involved in the SISP will need to be made aware of the change to the Southern Alberta Oil (as defined in the SISP) package of properties marketed by the Receiver, because the offer submitted by CNRL is better than both the proved developed producing and total proven plus probable reserve values, the Receiver is of the view that re-marketing the Princess Property within the SISP will not produce a better offer. In addition, the Receiver is of the view that the likelihood of an *en bloc* offer for the Southern Alberta Gas package increases with the approval of the conditional sale of the Princess Property (the "CNRL Transaction").
18. As a result, on February 24, 2016, the Company, the Receiver and their counsel worked to finalize and execute a definitive Asset Purchase & Sale Agreement (the "CNRL APA"), resulting in the CNRL Transaction.
19. A redacted copy of the CNRL APA is attached to this Third Report as Appendix 'A'. The material terms of the CNRL Transaction are as follows:
 - a) CNRL will pay a purchase price subject to adjustments based upon an Effective Date of January 1, 2016, for the Princess Property;
 - b) CNRL is acquiring the Princess Property on an "as is, where is" basis, inclusive of Environmental Liabilities and Abandonment and Reclamation Obligations (as defined in the CNRL APA);

- c) Notices of any rights of first refusal (“**ROFRs**”) will be given on an abridged basis, being 15 days’ notice; and
 - d) Closing (as defined in the CNRL APA) shall be:
 - i. three days after the grant of the Court Order approving the CNRL APA (projected as March 7, 2016); or
 - ii. such date as is mutually agreed to by the parties.
- 20. A copy of the fully executed CNRL APA is attached to the Confidential Supplement to the Receiver’s Third Report dated February 29, 2016.
- 21. The Receiver notes that the CNRL Transaction is not subject to any material conditions other than approval by this Court. As a result, should the Court approve the CNRL Transaction, the Receiver considers the closing risk associated with CNRL Transaction to be minimal.

RECEIVER’S ANALYSIS OF THE PROPOSED SALE TRANSACTION WITH CNRL

- 22. The Receiver and their counsel were actively involved with senior employees of the Company in considering and approving the CNRL Transaction. The Receiver believes that approval of the CNRL Transaction is in the best interest of all stakeholders for the following reasons:
 - a) It arose from the results of the marketing plan of the Financial Advisor which began prior to the Receivership proceedings;
 - b) The Receiver believes that the Financial Advisor and the Company acted with due diligence in soliciting bids including the bid resulting in the CNRL Transaction and terms were negotiated between the parties at arm’s length and in good faith;
 - c) CNRL is the operator of certain of the wells, pipelines and facilities subject to the CNRL Transaction and also contract operates the Spyglass owned properties subject to the CNRL Transaction. CNRL has shown interest in the Princess Property for some time;
 - d) Due to the negative LMR value associated with the Princess Property, completion of the CNRL Transaction will actually improve Spyglass’ overall LMR. As a result,

the Receiver does not anticipate issues with the license transfers required to close the CNRL Transaction in light of the terms of the AER Agreement; and

- e) The Receiver believes that the CNRL Transaction is commercially reasonable, in the best interests of Spyglass' creditors and other stakeholders and will maximize available recovery to creditors.

RECOMMENDATIONS

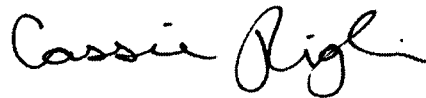
23. The Receiver recommends that this Honourable Court approve the CNRL Transaction.

All of which is respectfully submitted this 29th day of February, 2016.

ERNST & YOUNG INC.
in its capacity as Court Appointed
Receiver of Spyglass

A handwritten signature in black ink, appearing to be 'Neil Narfason', with a long horizontal stroke extending to the right.

Neil Narfason, CA, CIRP, CBV
Senior Vice-President

A handwritten signature in black ink, appearing to be 'Cassie Riglin', written in a cursive style.

Cassie Riglin, CA
Senior Manager

APPENDIX “A”

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 24 day of February, 2016.

BETWEEN:

ERNST & YOUNG INC., solely in its capacity as the receiver of **SPYGLASS RESOURCES CORP.**, and not in its personal capacity (hereinafter referred to as "**Vendor**")

- and -

CANADIAN NATURAL RESOURCES, a general partnership, having an office in the City of Calgary (hereinafter referred to as "**Purchaser**")

WHEREAS pursuant to an order of the Honourable Mr. Justice G.C. Hawco of the Alberta Court of Queen's Bench (the "**Court**") dated November 26, 2015, filed in Court Action Number 1501-13786 (the "**Appointment Order**"), Ernst & Young Inc. ("**Receiver**") was appointed receiver of Spyglass Resources Corp. ("**Spyglass**");

AND WHEREAS Vendor wishes to sell, and Purchaser wishes to purchase, the Assets defined herein, subject to and in accordance with the terms and conditions hereof and in compliance with all orders issued with respect hereto;

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) "**Abandonment and Reclamation Obligations**" means all past, present and future obligations to:
 - (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other Facilities located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands or lands pooled or unitized therewith; and
 - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells, Tangibles, the Lands, lands pooled or unitized therewith, and any lands used to gain access thereto, including such obligations relating to Wells, Pipelines and Facilities which were abandoned or decommissioned prior to the Closing Date that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances produced or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;

- (b) **"AC1 Forms"** means the Petrinex FCC Setup and Change Report to be completed for Closing regarding the transfer of Vendor's ownership for a Facility;
- (c) **"Agreement"** means this purchase and sale agreement between Vendor and Purchaser, including all recitals and schedules attached hereto, and **"this Agreement"**, **"herein"**, **"hereto"**, **"hereof"** and similar expressions mean and refer to this Agreement;
- (d) **"Affiliate"** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **"control"** as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise;
- (e) **"Applicable Law"** means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, license or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
- (f) **"Appointment Order"** has the meaning set out in the recitals;
- (g) **"Asset Information"** means all information provided, disclosed or made available to Purchaser in hard copy or electronic form in relation to the Assets;
- (h) **"Assets"** means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests, but excludes the Excluded Assets;
- (i) **"Business Day"** means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (j) **"Claim"** means any claim, demand, lawsuit, proceeding, or arbitration by any person, or any investigation by a Governmental Authority pertaining to the Assets, whether in each case asserted, threatened, pending or existing;
- (k) **"Closing"** means the transfer of possession, legal and beneficial ownership and risks of the Assets from Vendor to Purchaser and payment of the Purchase Price by Purchaser to Vendor, , and all other items and considerations required to be delivered on the Closing Date pursuant hereto, including delivery of the Specific Conveyances if applicable;
- (l) **"Closing Date"** means the third Business Day after the Vesting and Approval Order executed by the presiding justice of the Court is filed, or such other date agreed upon by the Parties;
- (m) **"Closing Place"** means the office of Spyglass, or such other place as may be agreed upon in writing by the Parties;
- (n) **"Court"** has the meaning set out in the recitals;
- (o) **"Effective Date"** means January 1, 2016;

- (p) **"Effective Time"** means 12:01 a.m. on the Effective Date;
- (q) **"Environment"** means the components of the earth and includes ambient air, land, surface and subsurface strata, groundwater, surface water all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components, and any derivative thereof shall have a corresponding meaning;
- (r) **"Environmental Liabilities"** means all past, present and future liabilities, obligations and expenses in respect of the Environment which relate to the Assets (or lands pooled or unitized with Lands which may form part of the Assets), or which arise in connection with the ownership thereof or operations pertaining thereto, including without limitation, liabilities related to or arising from:
- (i) transportation, storage, use or disposal of toxic or hazardous substances;
 - (ii) release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or hazardous substances; or
 - (iii) pollution or contamination of or damage to the Environment;
- including liabilities to compensate Third Parties for damages and Losses resulting from the items described in items (i), (ii) and (iii) above (including damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the Environment;
- (s) **"Excluded Assets"** means:
- (i) any item or thing owned by Third Parties and licensed to Vendor, or Spyglass, with restrictions on deliverability or disclosure by Vendor, or Spyglass, that prevent the conveyance of such item or thing to Purchaser;
 - (ii) advances and deposits for operations payable to Governmental Authorities or other Persons prior to the Effective Time to secure obligations or as prepayment of costs or expenses;
 - (iii) legal and title opinions;
 - (iv) documents, other than Title Documents, prepared by or on behalf of Vendor, or Spyglass, in contemplation of litigation and any other documents within the possession of Vendor or Spyglass which are subject to solicitor privilege under the laws of the Province of Alberta or any other jurisdiction;
 - (v) records, policies, manuals and other business (such as financial, accounting and forecasting) or technical information that is either or both proprietary or confidential, not used exclusively in the operation of the Assets;
 - (vi) agreements, documents or data to the extent that:
 - (A) they pertain to Spyglass' proprietary technology;
 - (B) they pertain to Spyglass' proprietary seismic data;
 - (C) they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by Spyglass to an assignee; or

- (D) they comprise Vendor's and Spyglass' tax and financial records, seismic interpretations and economic evaluations;

but "Excluded Assets" shall not include any property, rights or interests specifically described as Miscellaneous Interests;

- (t) **"Facilities"** means Vendor's entire interest in and to all unit facilities under any unit agreement applicable to the Leased Substances and all other field facilities whether or not solely located on or under the surface of the Lands (or lands with which the Lands are pooled) and that are, or have been, used for production, gathering, treatment, compression, transportation (including Pipelines), injection, water disposal, measurement, processing, storage, handling or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, production storage facility or warehouse, and including those field facilities specifically identified in Schedule "B";
- (u) **"Facility Cost Centre Forms"** means the form filed with the Petroleum Registry of Alberta regarding gas cost allowance entitlements being transferred from Vendor to Purchaser;
- (v) **"Final Statement of Adjustments"** has the meaning set forth in section 7.2(b);
- (w) **"Governmental Authority"** means any federal, national, provincial, territorial, municipal, or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority, and any public authority, including any public utility, having jurisdiction over any or all of the Parties, the Assets, or the Transaction;
- (x) **"GST"** means the goods and services tax payable pursuant to the GST Legislation;
- (y) **"GST Legislation"** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (z) **"Lands"** means the lands set out and described in Schedule "A", and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in Schedule "A" and in the Title Documents as to Petroleum Substances and geological formations);
- (aa) **"Leased Substances"** means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (bb) **"Licence Transfers"** means, in relation to the Assets, the transfer of any permits, approvals, licences and authorizations granted by any applicable Governmental Authority;
- (cc) **"Losses"** means all actions, causes of action, losses, costs, Claims, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis; but notwithstanding the foregoing shall not include any liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax liabilities;
- (dd) **"Miscellaneous Interests"** means, subject to any and all limitations and exclusions provided for in this definition, Vendor's entire interest in and to all property, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than

the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation any and all of the following:

- (i) all contracts and agreements relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents and the Service Agreements);
 - (ii) all subsisting rights to carry out operations relating to the Lands or the Tangibles, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles;
 - (iii) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them, and all contracts and agreements related thereto;
 - (iv) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, including design, construction, operation, maintenance and integrity files, any engineering assessments for any Spyglass operated and licensed Pipelines in the possession of Vendor;
 - (v) the Wells, including the wellbores thereof and any and all casings therein, but specifically excluding the Excluded Assets;
- (ee) **"Net Purchase Price"** has the meaning set out in clause 2.1;
- (ff) **"Party"** means a party to this Agreement;
- (gg) **"Permitted Encumbrances"** means:
- (i) all encumbrances, overriding royalties, net profits interests and other burdens identified in Schedule "A";
 - (ii) the terms and conditions of the Title Documents, including the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof, or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
 - (iii) the right reserved to or vested in any grantor, Governmental Authority by the terms of any Title Document or by Applicable Law to terminate any Title Document;
 - (iv) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
 - (v) taxes on Petroleum Substances or the income or revenue from the Petroleum Substances and requirements imposed by Applicable Law or Governmental Authorities concerning rates of production from the Wells or from operations on any of the Lands, or otherwise affecting recoverability of Petroleum Substances

from the Lands, which taxes or requirements are generally applicable to the oil and gas industry in the jurisdiction in which the Assets are located;

- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances which are terminable on not more than thirty (30) days' notice without an early termination penalty or other like cost;
 - (vii) any obligation of Spyglass or Vendor to hold any right or interest held under a Title Document in trust for a Third Party or Third Parties, but excluding obligations Spyglass, Vendor or the Receiver may have to creditors generally under the Appointment Order;
 - (viii) the right reserved to or vested in any Governmental Authority to control or regulate any of the Assets in any manner, including any directives or notices received from any such Governmental Authority pertaining to the Assets;
 - (ix) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards Vendor's or Spyglass' share of the costs and expenses thereof which are not due or delinquent as of the date hereof or, if then due or delinquent are being contested in good faith by Vendor;
 - (x) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
 - (xi) agreements and plans relating to pooling or unitization of any of the Petroleum and Natural Gas Rights;
 - (xii) agreements respecting the operation of Wells by contract field operators;
 - (xiii) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations; and
 - (xiv) liens created in the ordinary course of business in favour of any Governmental Authority with respect to operations pertaining to any of the Assets;
- (hh) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity having legal capacity;
- (ii) **"Petroleum and Natural Gas Rights"** means Vendor's entire right, title and interest in and to all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), including the interests set out and described in Schedule "A";
- (jj) **"Petroleum Substances"** means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including without limitation, sulphur;
- (kk) **"Pipelines"** means the pipelines described in Schedule "B";
- (ll) **"Prime Rate"** means the rate of interest, expressed as a rate per annum, designated by the main branch in Calgary of the National Bank as the reference rate used by it to determine rates of interest charged by it on Canadian dollar commercial loans made in

Canada and which is announced by such bank, from time to time, as its prime rate, provided that whenever such bank announces a change in such reference rate the "Prime Rate" shall correspondingly change effective on the date the change in such reference rate is effective;

- (mm) **"Receiver"** has the meaning set out in the recitals;
- (nn) **"RMF2 Form"** means Alberta Energy Reassignment of Volume Setup/Change Form with all required attachments that are required to be submitted to Alberta Energy with respect to the transfer of gas production volumes between a vendor and a purchaser;
- (oo) **"Representative"** means, with, respect to any Party, its Affiliates, and its and their respective directors, officers, servants, agents, advisors, employees and consultants;
- (pp) **"Sales Taxes"** means all transfer, sales, excise, stamp, license, production, value-added and other like taxes, assessments, charges, duties, fees, levies or other charges of a Governmental Authority, (including additions by way of penalties, interest and other amounts relating to late filings or payments) with respect to the transfer and conveyance to Purchaser of the Assets or the transfer or registration of the Specific Conveyances, but excludes GST, and any income taxes and penalties and interest related thereto;
- (qq) **"Service Agreements"** means those agreements set forth in Schedule "B" under the heading "Service Agreements";
- (rr) **"Specific Conveyances"** means all conveyances, assignments, transfers, novations, Facility Cost Centre Forms, RMF2 Forms, and such other documents or instruments as are reasonably required or desirable to convey, assign and transfer the Assets to Purchaser and to novate Purchaser in the place and stead of Vendor with respect to the Assets;
- (ss) **"Spyglass"** has the meaning set forth in the recitals;
- (tt) **"Tangibles"** means Vendor's entire right, title estate and interest in and to:
 - (i) any and all tangible depreciable property, equipment and other assets located within, upon or in the vicinity of the Lands that are used or are intended to be used to produce, process, gather, treat, measure, make marketable or inject the Leased Substances or any of them;
 - (ii) the Pipelines; and
 - (iii) the Facilities;
- (uu) **"Third Party"** means any individual or entity other than Receiver, Spyglass, Vendor and Purchaser, including without limitation any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (vv) **"Title Documents"** means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring rights to:
 - (i) explore for, drill for, produce, take, use or market Petroleum Substances;

- (ii) share in the production of Petroleum Substances;
- (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced; and
- (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition;

but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands; and this definition shall include, where applicable, those documents set out in Schedule "A";

- (ww) **"Transaction"** means the transaction for the purchase and sale of the Assets contemplated by this Agreement;
- (xx) **"Vesting and Approval Order"** means the order to be granted by the Court which authorizes, approves and confirms this Agreement, the Transaction, and the sale of the Assets by Vendor to Purchaser in accordance with the terms and conditions contained herein, and vests legal and beneficial title to the Assets in Purchaser, free and clear of all encumbrances, liens, security interests or Claims, other than Permitted Encumbrances; and
- (yy) **"Wells"** means the Wells listed in Schedule "B".

1.2 Headings

The words "article", "section", "subsection", "clause", "subclause", "paragraph" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section, subsection, clause, subclause, paragraph and schedule of or to this Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, subsections, clauses, subclauses and paragraphs and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Agreement the following schedules pertaining to the following matters:

Schedule "A"	-	Lands and Petroleum and Natural Gas Rights
Schedule "B"	-	Wells Pipelines Facilities Service Agreements
Schedule "C"	-	General Conveyance

Schedule "D"	-	Form of Officer's Certificate
Schedule "E"	-	Appointment Order
Schedule "F"	-	Form of Approval and Vesting Order

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.6 Damages

All Losses, costs, Claims, damages, expenses and liabilities in respect of which a Party has a claim pursuant to this Agreement shall include reasonable legal fees and disbursements on a full indemnity basis.

1.7 Derivatives

Where a term is defined in the body of this Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

1.8 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Agreement which presumes that Purchaser has acquired the Assets hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of a schedule, the provision of the body of this Agreement shall prevail. If any term or condition of this Agreement conflicts with a term or condition of a Title Document or any Applicable Law, the term or condition of such Title Document or the Applicable Law shall prevail, and this Agreement shall be deemed to be amended to the extent required to eliminate any such conflict. A Specific Conveyance shall not confer or impose upon a Party any greater right or obligation than contemplated in this Agreement.

1.10 Currency

All dollar (\$) amounts referenced in this Agreement are expressed in the lawful currency of Canada.

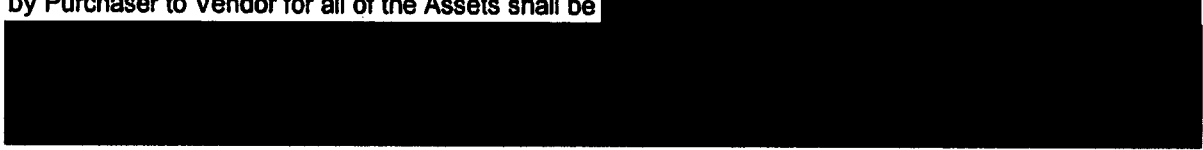
ARTICLE 2 PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

Vendor, exercising the powers of sale granted pursuant to the Appointment Order and in its sole capacity as receiver of Spyglass and not in its personal capacity, hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor acting in such capacity, all right, title, estate and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the Assets, subject to and in accordance with the terms and conditions of this Agreement, the Appointment Order, and the Vesting and Approval Order.

2.2 Net Purchase Price

The consideration for Vendor's sale, conveyance, transfer and assignment of the Assets to Purchaser and for Purchaser's receipt and acceptance of the Assets from Vendor, shall be the aggregate sum of the positive values attributed to such Assets and the aggregate amount of both the Environmental Liabilities and the Abandonment and Reclamation Obligations associated with the Assets, at the Effective Date, such sum being referred to herein as the "Net Purchase Price"). The Net Purchase Price to be paid by Purchaser to Vendor for all of the Assets shall be



2.3 Payment of Net Purchase Price

At Closing, Purchaser shall pay to Vendor the Net Purchase Price, together with:

- (i) all GST applicable to any portion of the Net Purchase Price allocated to the Miscellaneous Interests and Tangibles in accordance with section 2.8 below;
- (ii) any applicable Sales Taxes; and
- (iii) the net amount of the adjustments calculated pursuant to Article 7 and set forth in the interim statement of adjustments referred to in section 7.2(a).

2.4 Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained. Subject to all other provisions of this Agreement, possession, risk, and legal and beneficial ownership of Vendor's interest in and to the Assets shall pass from Vendor to Purchaser on the Closing Date.

- (a) On the Closing Date, Vendor shall deliver to Purchaser:
 - (i) the General Conveyance in the form attached as Schedule "C", duly executed by Vendor;
 - (ii) the Officer's Certificate substantially in the form attached as Schedule "D", duly executed by Vendor;
 - (iii) a receipt for the Net Purchase Price as adjusted herein plus applicable GST and Sales Taxes; the Specific Conveyances, duly executed by Vendor where and to the extent such Specific Conveyances were provided to Purchaser no later than two (2) Business Days prior to Closing;
 - (iv) a copy of the Vesting and Approval Order referred to in section 3.2;
 - (v) where required and to the extent prepared on or before the Closing Date, the Specific Conveyances, duly executed by Vendor; and
 - (vi) such other documents as may be specifically required hereunder or as may be reasonably requested by Purchaser upon reasonable notice to Vendor.
- (b) On the Closing Date, Purchaser shall deliver to Vendor:

- (i) the Net Purchase Price, as adjusted pursuant to Article 7, together with all applicable GST and Sales Taxes;
- (ii) the General Conveyance in the form attached as Schedule "C", duly executed by Purchaser;
- (iii) the Officer's Certificate substantially in the form attached as Schedule "D", duly executed by Purchaser;
- (iv) where required and to the extent prepared on or before the Closing Date, the Specific Conveyances, duly executed by Purchaser, and
- (v) such other documents as may be specifically required hereunder or as may be reasonably requested by Vendor upon reasonable notice to Purchaser.

2.5 Specific Conveyances

The Parties shall cooperate in the preparation of the Specific Conveyances. At a reasonable time prior to Closing, Vendor shall use reasonable efforts to prepare and provide to Purchaser for Purchaser's review all Specific Conveyances at Vendor's sole cost and expense. The Parties shall execute such Specific Conveyances before or at Closing. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, Purchaser shall register and distribute (as applicable) all such Specific Conveyances, and Purchaser shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to Purchaser.

2.6 Title Documents and Miscellaneous Interests

Within Ten (10) Business Days following Closing, Vendor shall deliver to Purchaser paper originals, paper photocopies where originals are not available, or electronic copies where neither paper originals or photocopies are available, of the Title Documents and any other agreements, files and documents to which the Assets are subject, and such contracts, agreements, records, books, documents, licenses, reports and data as comprise the Miscellaneous Interests and which are now in the possession of Spyglass, Vendor, or both. All such contracts, agreements, records, books, documents, licenses, reports and data to which Spyglass or Vendor gains possession prior to, or within ninety (90) days following Closing shall be delivered to Purchaser as soon as possible upon Spyglass or Vendor, as the case may be, acquiring access to or possession of same.

2.7 Form of Payment

All payments to be made pursuant to this Agreement shall be in Canadian funds. All payments to be made pursuant to this Agreement shall be made by certified cheque or bank draft.

2.8 Taxes

(a) GST

Each of Purchaser and Vendor is a registrant for GST purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation. Their respective GST registration numbers are:

Vendor	84647 6471 RT0001
Purchaser	13642 7473 RT0001

Upon receipt of the GST at Closing, Vendor shall forthwith remit such GST to the appropriate Governmental Authority.

(b) Sales Taxes

The Parties acknowledge that the Net Purchase Price is exclusive of all Sales Taxes. Purchaser shall be solely responsible for the payment of all Sales Taxes which may be imposed by any Governmental Authority and which pertain to Purchaser's acquisition of the Assets or to the registration of any Specific Conveyances necessitated hereby. Except where Vendor is required under Applicable Law to collect or pay such Sales Taxes, Purchaser shall pay such Sales Taxes directly to the appropriate Governmental Authority within the required time period and shall file when due all necessary documentation with respect to such Sales Taxes. Vendor will do and cause to be done such things as are reasonably requested to enable Purchaser to comply with such obligation in a timely manner. If Vendor is required under Applicable Law to pay any such Sales Taxes, Vendor shall pay such Sales Taxes directly to the appropriate Governmental Authority within the required time period and shall file when due all necessary documentation with respect to such Sales Taxes. Purchaser shall advance to Vendor, or if Vendor has already paid same then shall reimburse Vendor, the full amount of such Sales Taxes within thirty (30) days of the delivery to Purchaser of copies of assessments or receipts, as applicable, showing the assessment or payment, as applicable, of such Sales Taxes.

**ARTICLE 3
CONDITIONS OF CLOSING**

3.1 Required Consents

- (a) Before Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law to permit closing of the Transaction, and Vendor shall have obtained the Vesting and Approval Order. The Parties acknowledge that, except for the Vesting and Approval Order, the acquisition of such consents shall not be a condition precedent to Closing.
- (b) Notwithstanding anything to the contrary herein, except for the Vesting and Approval Order, it shall be the sole obligation of Purchaser to obtain any Third Party consents, permissions or approvals that are required in connection with the assignment of Vendor's interest in any Miscellaneous Interests. All reasonable and necessary costs, fees and expenses, other than penalties, deposits or levies incurred by Vendor in order to effect the assignment of the Assets to Purchaser, shall be the sole responsibility of Purchaser, and Purchaser agrees to pay on behalf of the Vendor any such costs, fees and expenses on a timely basis.

3.2 Conditions Precedent

The obligation of Purchaser to purchase Vendor's interest in and to the Assets, and of Vendor to sell its interest in and to the Assets to Purchaser, is subject to the following conditions precedent to Closing:

- (a) On or before the Closing Date, Vendor shall have obtained the approval of Court to this Transaction, and Vendor shall have delivered to Purchaser before or at Closing an original or certified copy of the issued and filed Vesting and Approval Order;
- (b) no stay or appeal or application to vary either the Appointment Order or Vesting and Approval Order shall have been filed with the Court at any time by Vendor or any other Person on or before the Closing, and with respect only to its own actions Vendor shall certify this fact to its knowledge in writing to Purchaser in its certificate presented at Closing; and
- (c) there shall not have been instituted any legal proceedings to obtain, nor shall the Court or any Governmental Authority of competent jurisdiction have issued, promulgated, enforced or entered any judgment, decree, injunction or other order, whether temporary,

preliminary or permanent, that restrains, enjoins or otherwise prohibits the consummation of the Transaction.

Should any of the above three (3) conditions not be fully met or satisfied at the Closing Date this Agreement and the obligations of Vendor and Purchaser under this Agreement shall automatically terminate without any further action on the part of either Vendor or Purchaser or any further liability of Purchaser to Vendor hereunder.

3.3 Purchaser's Conditions

The obligation of Purchaser to purchase Vendor's interest in and to the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Purchaser and may be waived by Purchaser:

- (a) the representations and warranties of Vendor herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;
- (b) Purchaser be satisfied, acting reasonably, with the results of the due diligence conducted by it pursuant hereto; and
- (c) ";
- (d) all obligations of Vendor contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects.

If, by the Closing Date, one or more of the foregoing conditions precedent has or have not been satisfied or complied with, or waived by Purchaser, Purchaser may rescind this Agreement by written notice to Vendor. If Purchaser rescinds this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in section 10.13.

3.4 Vendor's Conditions

The obligation of Vendor to sell its interest in and to the Assets to Purchaser is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may be waived by Vendor:

- (a) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;
- (b) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) all amounts to be paid by Purchaser to Vendor at Closing, including the Net Purchase Price, shall have been paid to the Vendor in the form stipulated in this Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Date, Vendor may rescind this Agreement by written notice to Purchaser. If Vendor rescinds this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in section 10.13.

3.5 Efforts to Fulfil Conditions Precedent

Purchaser and Vendor shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Vendor

Vendor makes only the following representations to Purchaser, which representations shall not survive Closing:

- (a) Receiver has been appointed by the Court as receiver of Spyglass and such appointment is valid and subsisting as of the Effective Date and has remained valid and subsisting up to and including the Closing Date; and
- (b) Vendor has the right to enter into this Agreement subject to the issuance of the Vesting and Approval Order, to complete this Transaction.

4.2 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor, no claim in respect of which shall be made or be enforceable by Vendor unless written notice of such Claim, with reasonable particulars, is given by Vendor to Purchaser within a period of six (6) months following the Closing Date:

- (a) Purchaser is a general partnership, duly organized and validly existing, and Purchaser is authorized to carry on business in the province in which the Lands are located;
- (b) Purchaser has good right, full power and absolute authority to purchase and acquire the Assets according to the true intent and meaning of this Agreement;
- (c) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which Purchaser is bound;
- (d) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to Purchaser;
- (e) this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms;
- (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing;
- (g) Purchaser has adequate funds available in an aggregate amount sufficient to pay:
 - (i) all amounts required to be paid by Purchaser under this Agreement; and
 - (ii) all expenses which have been or will be incurred by Purchaser in connection with this Agreement and the Transaction;

- (h) Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Vendor shall have any obligation or liability;
- (i) Purchaser is acquiring the Assets in its capacity as principal and is not purchasing the Assets for the purpose of resale or distribution to a Third Party and is dealing at arm's length with Vendor (as such term is interpreted by the Alberta Energy Regulator);
- (j) Purchaser has, and at Closing will have, an Alberta Energy Regulator Liability Management Rating of at least 1.0 and a Licencee Liability Ratio of at least 1.0 and Purchaser is not aware of any fact or circumstance that could prevent or delay the transfer of any permits or licenses relating to the Assets as contemplated in this Agreement;
- (k) Purchaser is not a non-resident of Canada within the *Income Tax Act* (Canada); and
- (l) Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*.

4.3 Limitation of Representations by Vendor

- (a) Subject to section 4.1, Vendor expressly negates any representations or warranties, whether written or verbal, made by Vendor or its Representatives and in particular, without limiting the generality of the foregoing, Vendor disclaims all liability and responsibility for any such representation, warranty, statement or information made or communicated, whether verbal or in writing, to Purchaser or any of its Representatives. Vendor's interest in and to the Assets shall be purchased on a strictly "as is, where is" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by Vendor, express or implied, arising at law, by statute, in equity or otherwise, with respect to the Assets and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by Vendor, express or implied, arising at law, by statute, in equity or otherwise with respect to:
 - (i) any engineering, geological or other interpretation or economic evaluations respecting the Assets;
 - (ii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
 - (iii) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
 - (iv) the rates of production of Petroleum Substances from the Lands;
 - (v) the quality, condition, fitness or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles);
 - (vi) the accuracy or completeness of the Asset Information or any other data or information supplied by Vendor or Spyglass, or any of their Representatives in connection with the Assets;
 - (vii) the suitability of the Assets for any purpose;
 - (viii) compliance with Applicable Laws; or

- (ix) the title and interest of Vendor in and to the Assets.
- (b) Without restricting the generality of the foregoing, Purchaser acknowledges that it has made its own independent investigation, analysis, evaluation and inspection of Vendor's interests in the Assets and the state and condition thereof and has relied solely on such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.
- (c) Except with respect to the representations and warranties in section 4.1 or in the event of fraud, Purchaser forever releases and discharges Vendor and its Representatives from any Claims and all liability to Purchaser or Purchaser's assigns and successors, as a result of the use or reliance upon advice, information or materials pertaining to the Assets which was delivered or made available to Purchaser by Vendor or its Representatives prior to or pursuant to this Agreement, including any evaluations, projections, reports, assessments and interpretive or non-factual materials prepared by or for Vendor, or otherwise in Vendor's possession.

ARTICLE 5 INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

5.1 Purchaser's Indemnities for Representations and Warranties

Purchaser shall be liable to Vendor for and shall, in addition, indemnify Vendor and Vendor's Representatives from and against, all Losses suffered, sustained, paid or incurred by Vendor or its Representatives which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in section 4.2 been accurate and truthful; provided, that nothing in this section 5.1 shall be construed so as to cause Purchaser to be liable to or indemnify Vendor in connection with any representation or warranty contained in section 4.2 if and to the extent that Vendor did not rely upon such representation or warranty.

5.2 Survival of Claim for Representations and Warranties

The representations and warranties in section 4.2 shall be true as of the date hereof and shall remain true on the Closing Date, for the benefit of Vendor. In the absence of fraud, however, no Claim or action shall be commenced with respect to a breach of any such representation and warranty, unless, within the six (6) month period following the Closing Date, written notice specifying such breach in reasonable detail is provided to Purchaser.

ARTICLE 6 INDEMNITIES

6.1 Post-Closing Date Indemnity

Provided that Closing has occurred, Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless Vendor and its Representatives from any and all Losses, expenses, Claims, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or which it may sustain, pay or incur,

as a result of any matter or thing resulting from, attributable to or connected with the Assets and arising or accruing after the Closing Date.

6.2 Environmental Matters and Abandonment and Reclamation Obligations

Purchaser acknowledges that, insofar as the Environmental condition of the Assets is concerned, Purchaser is acquiring the Assets pursuant hereto on an "as is, where is" basis. Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that Vendor has provided Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of Purchaser and that Purchaser is not relying upon any representation or warranty of Vendor as to the Environmental condition of the Assets, or as to any Environmental Liabilities or Abandonment and Reclamation Obligations. Provided that Closing has occurred, Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which Vendor and its Representatives may suffer, sustain, pay or incur; and
- (b) save, indemnify, release and hold harmless Vendor and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or which Vendor may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations both to Third Parties and as between Vendor and Purchaser, (whether such Environmental Liabilities and all Abandonment and Reclamation Obligations occur or accrue prior to, on or after the Closing Date), and hereby releases Vendor from any Claims Purchaser may have against Vendor with respect to all such liabilities and responsibilities. Without restricting the generality of the foregoing, Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (whether such Environmental Liabilities and all Abandonment and Reclamation Obligations occur or accrue prior to, on or after the Closing Date) in respect of the Lands, Wells and Facilities. This assumption of liability and indemnity by Purchaser shall apply without limit and without regard to cause or causes, including the negligence (whether sole, concurrent, gross, active, passive, primary or secondary) or the wilful or wanton misconduct or recklessness of any or all of Vendor, its Representatives, and their respective successors and assigns or any other Person or otherwise. Purchaser further acknowledges and agrees that it shall not be entitled to any rights or remedies as against Vendor or its Representatives, or their respective successors and assigns under the common law or statute pertaining to any Environmental Liabilities and Abandonment and Reclamation Obligations, including the right to name any or all of Vendor, its Representatives, and their respective successors and assigns as a 'third party' to any action commenced by any Person against Purchaser. Purchaser's assumption of liability and the indemnity obligation set forth in this section 6.2 shall survive the Closing Date indefinitely.

6.3 Third Party Claims

The following procedures shall be applicable to any Claim by Vendor (the "Indemnitee") for indemnification pursuant to this Agreement from Purchaser (the "Indemnitor") in respect of any Losses in relation to a Third Party (a "Third Party Claim"):

- (a) upon the Third Party Claim being made against or commenced against the Indemnitee, the Indemnitee shall within thirty (30) Business Days of notice thereof provide written notice thereof to the Indemnitor. The notice shall describe the Third Party Claim in reasonable detail and indicate the estimated amount, if practicable, of the indemnifiable Losses that have been or may be sustained by the Indemnitee in respect thereof. If the Indemnitee does not provide notice to the Indemnitor within such thirty (30) Business Day period, then such failure shall only lessen or limit the Indemnitee's rights to indemnity hereunder to the extent that the defence of the Third Party Claim was prejudiced by such lack of timely notice;

- (b) if the Indemnitor acknowledges to the Indemnatee in writing that the Indemnitor is responsible to indemnify the Indemnatee in respect of the Third Party Claim pursuant hereto, the Indemnitor shall have the right to take either or both of the following actions:
 - (i) assume carriage of the defence of the Third Party Claim using legal counsel of its choice and at its sole cost; and
 - (ii) settle the Third Party Claim, provided the Indemnitor pays the full monetary amount of the settlement and the settlement does not impose any restrictions or obligations on the Indemnatee, and provided a full and final unconditional release in favour of Vendor and its Representatives is obtained that is in form and substance satisfactory to Vendor;
- (c) if the Indemnitor acknowledges to the Indemnatee in writing that the Indemnitor is responsible to indemnify the Indemnatee in respect of a Third Party Claim pursuant hereto, the Indemnatee shall not enter into any settlement, consent order or other compromise with respect to the Third Party Claim without the prior written consent of the Indemnitor (which consent shall not be unreasonably withheld, conditioned or delayed), unless the Indemnatee waives its rights to indemnification in respect of the Third Party Claim;
- (d) each Party shall co-operate with the other Party in the defense of the Third Party Claim, including making available such of its personnel to the other Party and its Representatives whose assistance, testimony or presence is of material assistance in evaluating and defending the Third Party Claim;
- (e) upon payment of the Third Party Claim, the Indemnitor shall be subrogated to all Claims the Indemnatee may have relating thereto. The Indemnatee shall give such further assurances, and do such things to co-operate with the Indemnitor to permit the Indemnitor to pursue such subrogated Claims, as reasonably requested from it; and
- (f) if the Indemnitor has paid an amount pursuant to the indemnification obligations herein and the Indemnatee shall subsequently be reimbursed from any source in respect of the Third Party Claim from any Third Party which results in the Indemnatee receiving, in the aggregate, more than the amount of the Third Party Claim, the Indemnatee shall promptly pay the amount of the reimbursement (including interest actually received) in excess of the Third Party Claim to the Indemnitor, net of taxes required to be paid by the Indemnatee as a result of any such receipt.

6.4 Indemnity Clarifications

- (a) Nothing contained in this Article 6 shall impose any liability on any Party for the income tax liabilities of another Party;
- (b) The adjustments to the Purchase Price pursuant to Article 7 and any payments made in respect thereto shall not be considered Losses under this Agreement.

ARTICLE 7 ADJUSTMENTS

7.1 Costs and Revenues to be Apportioned

- (a) Subject to section 7.1(b) below and except as otherwise provided in this Agreement, all costs and expenses relating to the Assets (including maintenance, development, capital and operating costs) and all revenues relating to the Assets (including proceeds from the sale of production, and fees from processing, treating or transporting Petroleum Substances on behalf of Third Parties) shall be apportioned as of the Effective Time

between Vendor and Purchaser on an accrual basis in accordance with generally accepted accounting principles, provided that:

- (i) advances made by Vendor in respect of the costs of operations on Lands (or lands pooled or unitized therewith) or the Wells, Pipelines or Facilities included in the Assets which advances have not been applied to the payment of costs prior to the Closing Date and still stand to the credit of Spyglass or Vendor as at the Closing Date, shall be transferred to Purchaser at Closing and an adjustment will be made in favour of Vendor equal to the amount of such transferred advance;
 - (ii) deposits made by Spyglass or Vendor relative to operations on the Lands shall be returned to Vendor;
 - (iii) costs and expenses of work done, services provided and goods supplied shall be deemed to accrue for the purposes of this article when the work is done or the goods or services are provided, regardless of when such costs and expenses become payable;
 - (iv) no adjustments shall be made in respect of Spyglass' or Vendor's income taxes;
 - (v) Petroleum Substances that were produced and beyond the wellhead, but not sold, as of the Effective Time shall be credited to Vendor;
 - (vi) amounts invoiced by Vendor, as operator, to Third Parties pursuant to an authorization for expenditure, unit budget, mail ballot, cash call or any other like approval to conduct an operation, create or incur a financial obligation, or accept a risk, which operation, obligation or risk is related to any Lands (or lands pooled or unitized therewith), Wells, Pipelines or Facilities, if received and not spent on such operation, obligation or risk as of the date of this Agreement shall be paid to Purchaser at Closing for the account of Purchaser as operator of such Assets; and
 - (vii) all rentals and similar payments in respect of the Leased Substances or surface rights comprised in the Assets and all taxes (other than income taxes) levied with respect to the Assets or operations in respect thereof shall be apportioned between Vendor and Purchaser on a per diem basis as of the Closing Date.
- (b) Vendor and its Representatives shall not be liable to make any adjustment in favour of, or make any payment to Purchaser in respect of, any benefit, obligation or liability related to the Assets that arose during or is applicable to a period in time prior to the Effective Date and such benefits, liabilities or obligations shall not constitute a benefit, liability or obligation of Purchaser.

7.2 Adjustments to Account

- (a) An interim accounting of the adjustments pursuant to section 7.1 shall be made at Closing, based on Vendor's good faith estimate of the costs and expenses paid by Vendor prior to Closing and the revenues received by Vendor prior to Closing. Vendor and Purchaser shall cooperate in preparing such interim accounting and Vendor shall provide an interim statement of adjustments setting forth the adjustments to be made at Closing based on that joint interim accounting, not later than three (3) Business Days prior to Closing, and shall assist Purchaser in verifying the amounts set forth in such statement. The interim adjustments provided for in this section 7.2(a) shall be adjustments to the Net Purchase Price at Closing, and shall be allocated to the Petroleum and Natural Gas Rights where applicable.

- (b) A final accounting of the adjustments pursuant to section 7.1 shall be conducted by the Vendor within ninety (90) days following the Closing Date (the "**Final Statement of Adjustments**"), and Vendor shall prepare and forward to Purchaser such Final Statement of Adjustments within that time period. Purchaser shall have Fifteen (15) Business Days from receipt of the Final Statement of Adjustments to review and comment on same. Settlement of accounts shall be concluded by the Parties when both have signed the Final Statement of Adjustments and no further or other adjustments whatsoever shall be required to be made thereafter. All adjustments after Closing shall be settled by payment by the Party required to make payment to the other Party hereunder within twenty (20) Business Days of being notified of the determination of the amount owing.

ARTICLE 8 MAINTENANCE OF ASSETS

8.1 Maintenance of Assets

From the date hereof until the Closing Date, Vendor shall use reasonable commercial efforts, to the extent that the nature of its interest permits, and subject to the Appointment Order, Title Documents and any other agreements and documents to which the Assets are subject:

- (a) maintain the Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and
- (b) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Date;

provided that nothing contained in the foregoing or elsewhere in this Agreement shall obligate Vendor to post security, make any other financial contribution or file any undertaking with the Alberta Energy Regulator with respect to the Licensee Liability Rating Program or any like program.

8.2 Consent of Purchaser

Notwithstanding section 8.1, Vendor shall not from the date hereof to the Closing Date, without the written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Vendor's share is in excess of \$25,000.00, except:
 - (i) in case of an emergency;
 - (ii) as may be reasonably necessary to protect or ensure life and safety;
 - (iii) to preserve the Assets or title to the Assets; or
 - (iv) in respect of amounts which Vendor may be committed to expend or be deemed to authorize for expenditure without its consent;

provided, however, that should Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Assets results, there shall be no abatement or reduction in the Net Purchase Price;

- (b) surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and Purchaser does not, after reasonable and timely request, provide same to Vendor in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Net Purchase Price;
- (c) other than in ordinary course of business, materially amend or terminate any Title Document or enter into any new material agreement or commitment relating to the Assets; or
- (d) sell, encumber or otherwise dispose of any of the Assets or any part or portion thereof excepting: sales of non-material obsolete or surplus equipment; or sales of the Leased Substances in the normal course of business.

8.3 Proposed Actions

If an operation or the exercise of any right or option respecting the Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in Purchaser incurring an obligation pursuant to section 8.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the "Proposal"):

- (a) Vendor shall promptly give Purchaser notice of the Proposal, describing the particulars in reasonable detail;
- (b) Purchaser shall, not later than forty eight (48) hours prior to the time Vendor is required to make its election with respect to the Proposal, advise Vendor, by notice, whether Purchaser wishes Vendor to exercise Vendor's rights with respect to the Proposal on Purchaser's behalf, provided that Purchaser's failure to make such election within such period shall be deemed to be Purchaser's election to participate in the Proposal;
- (c) Vendor shall make the election authorized (or deemed to be authorized) by Purchaser with respect to the Proposal within the period during which Vendor may respond to the Proposal; and
- (d) Purchaser's election (including its deemed election) to not participate in any Proposal required to preserve the existence of any of the Assets shall not entitle Purchaser to any reduction of the Net Purchase Price if Vendor's interest therein is terminated as a result of such election.

8.4 Post-Closing Transition

Following Closing, and to the extent to which Purchaser must be novated into operating agreements and other agreements or documents to which the Assets are subject, until the novation has been effected:

- (a) Vendor shall not initiate any operation with respect to the Assets, except upon receiving Purchaser's written instructions, or if Vendor reasonably determines that such operation is required for the protection of life or property, in which case Vendor may take such actions as it reasonably determines are required, without Purchaser's written instructions, and shall promptly notify Purchaser of such intention or actions and of Vendor's estimate of the costs and expenses therewith associated;
- (b) Vendor shall forthwith deliver, or cause to be delivered, to Purchaser all revenues, proceeds and other benefits received by Vendor with respect to the Assets, provided that Vendor shall be permitted to deduct from such revenues, proceeds and other benefits, any other costs and expenses which it incurs as a result of such delivery to Purchaser;

- (c) Vendor shall, in a timely manner, deliver to Purchaser all Third Party notices and communications, including authorizations for expenditures and mail ballots and all notices and communications received in respect of the Assets or events and occurrences affecting the Assets, and Vendor shall respond to such notices pursuant to Purchaser's written instructions, if received on a timely basis, provided that Vendor may refuse to follow any instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract, and provided that nothing shall preclude Vendor from taking such actions as Vendor reasonably determines are necessary for the protection of life or property, or as are required by all Applicable Laws, rules, regulations, orders and directions of Governmental Authorities and other competent authorities;
- (d) Vendor shall, in a timely manner, deliver to Third Parties all such notices and communications which Purchaser may reasonably request and all such monies and other items as Purchaser may reasonably provide in respect of the Assets, provided that Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract;
- (e) up to and including March 31, 2016, Vendor shall pay all rentals and similar payments required to preserve any of the Title Documents; and
- (f) where Vendor is operator of Assets and in such capacity is responsible for the production accounting functions pertaining to such Assets, Vendor shall continue to perform such production accounting functions for such Assets up to and including March 31, 2016;

8.5 Licence Transfers

- (a) To the extent applicable, Vendor shall prepare and within two (2) Business Days following Closing shall submit to the appropriate Governmental Authorities (electronically where applicable) the Licence Transfers. Purchaser or its nominee shall, where applicable, electronically ratify and concur to such Licence Transfers.
- (b) If a Governmental Authority denies a Licence Transfer because of misdescription or other minor deficiencies in the application, Vendor shall, as soon as practicable, correct the application and amend and re-submit the Licence Transfer application. Purchaser or its nominee shall, where applicable, shall electronically concur with, ratify and concur to such applications forthwith upon request.
- (c) If, for any reason, a Governmental Authority requires Vendor to make a deposit or furnish any other form of security to approve or give effect to a Licence Transfer, Vendor shall, on a timely basis, make such deposit or furnish such other form of security as is required and any such deposit or security shall be for the sole account of Vendor. All License Transfer processing fees, including any fees required to be paid for expedited service that is requested by Purchaser, shall be for Purchaser's account.

8.6 Vendor Deemed Purchaser's Agent

- (a) Insofar as Vendor maintains the Assets and takes actions in relation thereto on Purchaser's behalf pursuant to this ARTICLE 8, Vendor shall be deemed to have been Purchaser's agent hereunder. Purchaser ratifies all actions taken by Vendor or refrained from being taken by Vendor pursuant to this ARTICLE 8 in such capacity during such period, with the intention that all such actions shall be deemed to be Purchaser's actions.
- (b) Insofar as Vendor participates in either operations or the exercise of rights or options as Purchaser's agent pursuant to this ARTICLE 8, Vendor may require Purchaser to secure costs to be incurred by Vendor on Purchaser's behalf pursuant to such election in such manner as may be commercially reasonable appropriate in the circumstances.

- (c) Purchaser shall indemnify Vendor and its Representatives against all Losses which Vendor or its Representatives may suffer or incur as a result of Vendor maintaining the Assets as Purchaser's agent pursuant to this ARTICLE 8, insofar as such Losses are not a direct result of the gross negligence or wilful misconduct of any or all of Spyglass, Vendor or their Representatives. An action or omission of any or all of Spyglass, Vendor, or their Representatives shall not be regarded as gross negligence or wilful misconduct to the extent to which it was done or omitted from being done with concurrence of the Purchaser or in accordance with Purchaser's instructions, or otherwise in accordance with the operation of the provisions of this Agreement (including any election deemed pursuant to the operation of section 8.3(b) hereof).

8.7 Transfer of Operatorship

Insofar as Vendor operates any of the Assets, Purchaser acknowledges that Vendor may not be able to transfer operatorship of some or all of such Assets to Purchaser at or after Closing. Vendor covenants with Purchaser that Vendor shall reasonably cooperate with Purchaser to obtain appropriate consents and approvals for the assignment and transfer to Purchaser of operatorship of those of the Assets of which Vendor is currently the operator, and where requested, shall vote as requested by Vendor with respect to any mail ballots or other voting involving change of operatorship of any of the Assets.

ARTICLE 9 PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

9.1 Vendor to Provide Access

Prior to Closing, Vendor shall, subject to all contractual and fiduciary obligations, at the Calgary offices of Vendor during normal business hours, provide reasonable access for Purchaser and its Representatives to Vendor's records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Assets, as well as physical access to the Assets (insofar as Vendor can reasonably provide and at Purchaser's sole risk, expense and liability) to facilitate Purchaser's review of the Assets and title thereto for the purpose of completing this Transaction.

9.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, Purchaser shall, on request from Vendor, provide reasonable access to Vendor or Vendor's Representative at Purchaser's offices, during its normal business hours, to the agreements and documents to which the Assets are subject and the contracts, agreements, records, books, documents, licenses, reports and data included in the Miscellaneous Interests and the Title Documents which are then in the possession or control of Purchaser and to make copies thereof, at Vendor's cost and expense, as Vendor may reasonably require, including for purposes relating to:

- (a) Spyglass' ownership of the Assets (including taxation matters and liabilities and Claims that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Agreement;
- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against Spyglass or Vendor.

9.3 Maintenance of Information

All of the information, materials and other records delivered to Purchaser pursuant to the terms hereof shall be maintained in good order and good condition and kept in a reasonably accessible location by Purchaser for a period of two (2) years from the Closing Date.

ARTICLE 10 GENERAL

10.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Agreement.

10.2 Vendor

Purchaser acknowledges that Receiver is acting solely in its capacity as the Court-appointed receiver of Spyglass, and not in its personal capacity. Under no circumstances shall Receiver or any of its Representatives have any liability in its personal capacity pursuant to this Agreement, or in relation to the Transaction whether such liability be in contract, tort or otherwise.

10.3 Entire Agreement

Except for the Appointment Order and the Vesting and Approval Order, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement; and, in the event of conflict, except for the Appointment Order and the Vesting and Approval Order, the provisions of this Agreement shall prevail. Provided Closing occurs, except for the Appointment Order and the Vesting and Approval Order, this Agreement supersedes all other agreements, documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transaction herein.

10.4 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

10.5 Assignment and Enurement

This Agreement may not be assigned by either Party. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers and successors.

10.6 Time of Essence

Time shall be of the essence in this Agreement.

10.7 Notices

The addresses and fax numbers of the Parties for delivery of notices hereunder shall be as follows:

Vendor - **Ernst & Young Inc.,
as Court-appointed Receiver of Spyglass Resources Inc.**
1000, 440 - 2nd Avenue SW
Calgary, AB
T2P 5E9

Attention: Neil Narfason/Cassie Riglin
Fax: (403) 206-5075

Purchaser - **Canadian Natural Resources**
2100, 855 - 2nd Street SW
Calgary, AB
T2P 4J8

Attention: Manager, Acquisitions and Divestments
Fax: (403) 517-7369

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by facsimile to a Party to the facsimile number of such Party for notices, in which case, if the notice was faxed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was faxed and if it is faxed on a day which is not a Business Day or is faxed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth (4th) Business Day following the date of mailing.

A Party may from time to time change its address for service, facsimile number for service or designated representative by giving written notice of such change to the other Party.

10.8 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and made in accordance with the Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

10.10 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

10.11 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Assets and this Agreement, and shall not release any information concerning this Agreement and the Transaction without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information:

- (i) to any Governmental Authority or to the public if required by Applicable Law;
- (ii) in connection with obtaining the Court Order; or
- (iii) as required to Spyglass' secured creditors.

10.12 Sealing Order

Vendor may, at its discretion, apply to the Court for a sealing order with respect to Vendor's Report (the "Confidential Report") containing the financial and other confidential details of this Transaction, such order sealing Vendor's Confidential Report and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by Vendor, only the judge presiding over the receivership proceedings of Spyglass, Vendor and Purchaser and their respective Representatives, and the secured creditors of Spyglass who have executed confidentiality agreements (and subject to the terms of those confidentiality agreements) shall have access to Vendor's Confidential Report and the confidential information contained therein.

10.13 Termination

This Agreement may be terminated at any time prior to Closing:

- (a) by mutual written agreement of Vendor and Purchaser; or
- (b) by either Vendor or Purchaser pursuant to the provisions of sections 3.2, 3.3 or 3.4, as applicable.

10.14 Personal Information

Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to Purchaser or otherwise obtained or reviewed by Purchaser in connection with the Transaction only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) Vendor or Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual.

Purchaser's obligations set forth in this section 10.14 shall survive the Closing Date indefinitely.

10.15 Counterpart Execution

This Agreement may be executed and delivered in counterpart and transmitted by facsimile and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

ERNST & YOUNG INC., solely in its capacity
as the receiver of **SPYGLASS RESOURCES**
CORP., and not in its personal capacity

CANADIAN NATURAL RESOURCES,
a general partnership, by its Managing Partner,
Canadian Natural Resources Limited

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

Per: _____
Name: Betty Yee
Title: Vice President, Land

THE FOLLOWING COMPRISES SCHEDULE "A" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 24th DAY OF February, 2016 BETWEEN ERNST & YOUNG INC., solely in its capacity as receiver of SPYGLASS RESOURCES CORP., and not in its personal capacity, as Vendor, and CANADIAN NATURAL RESOURCES, as Purchaser

Lands and Petroleum and Natural Gas Rights

The fifty-three (53) pages attached, being a portion of the Mineral Property Report of Spyglass Resources Corp. dated September 3, 2015 (specifically pages numbered 2615 to 2654 and 2679 to 2691),
comprise Schedule "A"

Report Date: Sep 03, 2015
Page Number: 2615

** REPORTED IN ACRES **

SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	File Status	File Sub	File Int	File Operator	File Lessor Type	File Int Type / Lse No/Name	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
M008252	Sub: B	100.00000000	LTS RESOURCES	Count Acres = No							

(cont'd)

Status	Acres	Prod:	Dev:	Net	NPProd:	Undev:	Acres	Net	Related Contracts
DEVELOPED	640.000	640.000	640.000	0.000	0.000	0.000	0.000	0.000	C004265 B FARMOUT Mar 09, 2001 (I) C004510 A QUITCLAIM Jan 01, 2001 (I) PS00530 A P&S Jun 29, 2010 (I)

WELLBORE ONLY)

Royalty / Encumbrances

Well U.W.I. Status/Type
100/01-32-018-20-W/4/00 D&A/D&A

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY ALL PRODUCTS	Y	N	100.00000000	% of PROD
Roy Percent:	STANDARD			
Deduction:				
Gas: Royalty:				
S/S OIL: Min:				
Other Percent:				
Paid to: PAID TO (R)	100.00000000			
ALBERTA DEPT.				
Paid by: WI (M)	100.00000000			
MEOTA (2000)				

File Number	File Status	File Sub	File Int	File Operator	File Lessor Type	File Int Type / Lse No/Name	Area	WI	Related Contracts
M008180	Sub: B	100.00000000	LTS RESOURCES	Count Acres = No			Area : PRINCESS TWP 19 RGE 10 W4M SW4 PNG TO BASE SECOND_WHITE_SPECKS		C002415 A P&S Mar 25, 2002 (I) C002812 C ROYALTY Aug 27, 1969 C002815 A POOL Jul 26, 1976

Report Date: Sep 03, 2015
Page Number: 2616

** REPORTED IN ACRES **

SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	File Status	Mineral Int	Lse Type	Int Type / Lse No/Name	Operator / Payor	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
						Gross				
						Net				

(cont'd)

M008180

Sub: B

PRODUCING	Prod:	160.000	79.200	NProd:	0.000	0.000	0.000	0.000	PS00530 A	P&S	Jun 29, 2010 (I)
DEVELOPED	Dev:	160.000	79.200	Undev:	0.000	0.000	0.000	0.000	SA2103	CONOPERAT	Jan 01, 1999
									SA2104	PROCESSIN	Sep 01, 2000

Royalty / Encumbrances

<Linked> Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales	Status/Type
C002812 C OVERRIDING ROYALTY	ALL PRODUCTS	N	N	100.000000000	% of PROD
Roy Percent: 1.50000000					
Deduction: UNKNOWN					
Gas: Royalty:					Prod/Sales: PROD
S/S OIL: Min:					Prod/Sales: PROD
Other Percent:					Prod/Sales: PROD
Paid to: ROY TO (C)					
BLUE SPRINGS EN					
Paid by: ROY BY (C)					
SPYGLASS RES					
ANDERSRA					

CALCULATION NOTES PVE -

Cap Desc: TAXES, TRANSPORTATION, PROCESSING, STORAGE, DISTRIBUTION AND COMPRESSION COSTS

SPECIAL NOTES PVE -

SEE DETAIL FOR DEDUCTIONS

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.000000000
Roy Percent:				
Deduction: UNKNOWN				
Gas: Royalty:				Prod/Sales: PROD
S/S OIL: Min:				Prod/Sales: PROD

Report Date: Sep 03, 2015
Page Number: 2617
-- REPORTED IN ACRES--

SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code
File Status	Int Type / Lee No/Name		Gross			
Mineral Int	Operator / Payor		Net	DOI Partner(s)	*	Lease Description / Rights Held

(cont'd)

Other Percent:			Min:	Prod/Sales: PROD		
Paid to:	LESSOR (M)		Paid by:	WI (C)		
ALBERTA DEPT.		100.00000000	SPYGLASS RES		49.50000000	
			ANDERSRA		0.50000000	
			CDN NAT RESOURC		50.00000000	

M006183	PNG	CR	Eff: Mar 31, 1960	320.000	C002815 A No	WI
Sub: A	WI		Exp: Mar 30, 1981	320.000	SPYGLASS RES	49.50000000
ACTIVE	119787A	Ext: 15		158.400	ANDERSRA	0.50000000
	SPYGLASS RES				CDN NAT RESOURC	50.00000000
100.00000000	CNRL					

Area : PRINCESS
TWP 19 RGE 10 W4M E 4
PNG TO BASE SECOND_WHITE_SPECKS

Status				Acres		Net	
PRODUCING	Prod:			320.000		158.400	
DEVELOPED	Dev:			320.000		158.400	
Total Rental:				448.00			
				Net		Acres	
				158.400		0.000	
				NProd:		0.000	
				Undev:		0.000	

Related Contracts				Well U.W.I.		Status/Type	
C002415 A	P&S		Mar 25, 2002 (I)			100/02-04-019-10-W4/00 FLOWING/GAS	
C002815 A	POOL		Jul 26, 1976			100/05-04-019-10-W4/00 FLOWING/GAS	
PS00530 A	P&S		Jun 29, 2010 (I)			100/06-04-019-10-W4/00 FLOWING/GAS	
SA2103	CONOPERAT		Jan 01, 1999			100/06-04-019-10-W4/02 COMINGLED/COM	
SA2104	PROCESSIN		Sep 01, 2000			100/08-04-019-10-W4/00 FLOWING/GAS	
						100/09-04-019-10-W4/00 FLOWING/GAS	
						100/14-04-019-10-W4/02 COMINGLED/COM	
						100/16-04-019-10-W4/00 FLOWING/GAS	

Royalty Type				Royalty / Encumbrances			
CROWN SLIDING SCALE ROYALTY/ALL PRODUCTS				Product Type	Sliding Scale	Convertible	% of Prod/Sales
				Y	N	100.00000000	% of PROD
Roy Percent:							
Deduction:							
Gas: Royalty:							
S/S Oil: Min:							
Other Percent:							
UNKNOWN							
Mln Pay:							
Div:							
Min:							
Prod/Sales: PROD							
Prod/Sales: PROD							
Prod/Sales: PROD							

Report Date: Sep 03, 2015
Page Number: 2618

-- REPORTED IN ACRES --

SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Lee No/Name		Gross			
Mineral Int	Operator / Payer	Net	DOI Partner(s)			Lease Description / Rights Held

(cont'd)

M006183	A	Paid to: LESSOR (M)	Paid by: WI (C)
		ALBERTA DEPT.	SPYGLASS RES
		100.000000000	ANDERSRA
			CDN NAT RESOURC
			50.000000000

M006184	PNG	CR	Eff: Mar 31, 1960	320.000	C002815	A	No	WI
Sub: A	WI		Exp: Mar 30, 1981	320.000	SPYGLASS RES			49.500000000
ACTIVE	119788		Ext: 15	158.400	ANDERSRA			0.500000000
	SPYGLASS RES				CDN NAT RESOURC			50.000000000
100.000000000	CNRL							

Total Rental: 448.00

Status	Acres	Net	Acres	Net
PRODUCING	320.000	158.400	NPProd:	0.000
DEVELOPED	320.000	158.400	Undev:	0.000

Area : PRINCESS
TWP 019 RGE 10 W4M NW 4 NE 5
PNG TO BASE SECOND_WHITE_SPECKS

Related Contracts

C002415 A	P&S	Mar 25, 2002 (I)
C002815 A	POOL	Jul 26, 1976
PS00530 A	P&S	Jun 29, 2010 (I)
SA2103	CONOPERAT	Jan 01, 1999
SA2104	PROCESSIN	Sep 01, 2000

Well U.W.I. Status/Type

100/01-05-019-10-W4/00	FLOWING/GAS
100/05-04-019-10-W4/00	FLOWING/GAS
100/06-04-019-10-W4/00	FLOWING/GAS
100/06-04-019-10-W4/02	COMINGLED/COM
100/06-05-019-10-W4/00	FLOWING/GAS
100/06-05-019-10-W4/02	COMINGLED/COM
100/08-04-019-10-W4/00	FLOWING/GAS
100/08-05-019-10-W4/00	FLOWING/GAS
100/09-04-019-10-W4/00	FLOWING/GAS
100/12-04-019-10-W4/00	FLOWING/GAS
100/13-05-019-10-W4/00	FLOWING/GAS
100/14-04-019-10-W4/00	FLOWING/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY ALL PRODUCTS	Y	N	100.000000000	% of PROD

Roy Percent: UNKNOWN

Deduction: UNKNOWN

Gas: Royalty: UNKNOWN

S/S OIL: Min: UNKNOWN

Other Percent: UNKNOWN

Min Pay: Prod/Sales: PROD

Div: Prod/Sales: PROD

Min: Prod/Sales: PROD

Paid to: LESSOR (M) 100.000000000 | WI (C) | 49.500000000 || ALBERTA DEPT. | | SPYGLASS RES | |

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

CS*EXPLORER Version: 9.10.04

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SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lee No/Name		Gross				
Mineral Int	Operator / Payer		Net	DOI Partner(s)			Lease Description / Rights Held

(cont'd)

M006180	A		ANDERSRA			1.00000000	
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CALCULATION NOTES PVE -

Cap Desc: TAXES, TRANSPORTATION, PROCESSING, STORAGE, DISTRIBUTION AND COMPRESSION COSTS

SPECIAL NOTES PVE -

SEE DETAIL FOR DEDUCTIONS

Royalty Type
CROWN SLIDING SCALE ROYALTYS ALL PRODUCTS

Roy Percent:	Product Type	Sliding Scale	Convertible	% of Prod/Sales
		Y	N	100.00000000 % of PROD

Deduction: UNKNOWN

Gas: Royalty:	Min Pay:	Prod/Sales:
S/S OIL: Min:	Div:	Prod/Sales: PROD
Other Percent:	Min:	Prod/Sales: PROD

Paid to: LESSOR (M)
ALBERTA DEPT.

Paid by: WI (C)
SPYGLASS RES 49.50000000
ANDERSRA 0.50000000
CDN NAT RESOURC 50.00000000

M006530	PNG	CR	Eff: Dec 15, 1967	1,920.000	C002813	A	No	WI	Area : PRINCESS
Sub: A	WI		Exp: Dec 14, 1977	1,920.000	SPYGLASS RES			99.00000000	TWP 19 RGE 10 W4M 6,7,18
ACTIVE	12283A		Ext: 15	1,900.800	ANDERSRA			1.00000000	PNG TO BASE SECOND_WHITE_SPECKS
100.00000000	SPYGLASS RES								
	SPYGLASS RES								
			Total Rental:	2688.00					
			Acres	Net	Acres	Net			
			Status						
			Related Contracts						
			C002415 A	P&S	ROYALTY				Mar 25, 2002 (I)
			C002812 A						Aug 27, 1969

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SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Les Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Les No/Name		Gross			
Mineral Int	Operator / Payor		Net	DOI Partner(s)		

(cont'd)

Other Percent: Min: Prod/Sales: PROD 102/16-18-019-10-W4/00 FLOWING/GAS

Paid to: LESSOR (M) Paid by: WI (C) 99.00000000

ALBERTA DEPT. SPYGLASS RES ANDERSRA 1.00000000

M006462	PNG	CR	Eff: Nov 05, 1965	320.000	C003223 F No	WI	RENTAL	Area : PRINCESS
Sub: A	WI		Exp: Nov 04, 1975	320.000	SPYGLASS RES	25.00000000	17.50000000	TWP 19 RGE 10 W4M E14
ACTIVE	6960		Ext: 15	80.000	CDN NAT RESOURC	23.75000000	16.82500000	PNG TO BASE MEDICINE_HAT (NEW)
	ENERPLUS				ENERPLUS	26.25000000	18.37500000	
	PENGROWTH EN				CITY OF MED HAT	25.00000000	17.50000000	
100.00000000					PENGROWTH EN		30.00000000	

Total Rental: 448.00

Status	Acres	Net	Acres	Net	Related Contracts
PRODUCING	320.000	80.000	80.000	0.000	C002415 A P&S Mar 25, 2002 (I)
DEVELOPED	320.000	80.000	80.000	0.000	C003223 F JOA Feb 01, 1969
					C003224 C MEMORANDUM Sep 04, 1974 (I)
					C006334 A TRUST Mar 24, 2010
					C007120 C ROYALTY Nov 01, 2011
					FA6134 A CO&O Dec 01, 1975
					FA6135 A CO&O Nov 15, 1975
					FA6135 B CO&O Nov 15, 1975
					FA6135 C CO&O Nov 15, 1975
					FA6135 D CO&O Nov 15, 1975
					PS00530 A P&S Jun 29, 2010 (I)

Royalty / Encumbrances

Product Type	Sliding Scale	Convertible	% of Prod/Sales
ALL PRODUCTS	N	N	100.00000000 % of
Min Pay:			Prod/Sales:
Max:			Prod/Sales:
Div:			Prod/Sales:
Min:			

<Linked> Royalty Type
C007120 C NONCONVERTIBLE ORR
Roy Percent: 2.50000000
Deduction: YES
Gas: Royalty:
S/S OIL: Min:
Other Percent:

Well U.W.J. Status/Type
100/08-14-019-10-W4/00 FLOWING/GAS
100/16-14-019-10-W4/00 FLOWING/GAS
100/02-14-019-10-W4/00 FLOWING/GAS
102/10-14-019-10-W4/00 FLOWING/GAS

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	File Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type	Int Type / Lessor Name	Gross				
Mineral Int	Operator / Payor		Net	DOI Partner(s)			

(cont'd)

Paid to:	PAIDTO (R)	Paid by:	ROY BY (C)
FREEHOLD PART	25.00000000	ENERPLUS	26.25000000
WINDRIFT	25.00000000	ARC RESOURCES	23.75000000
1372331 ALBERTA	16.66660000	CITY OF MED HAT	25.00000000
1334540 ALBERTA	16.66670000	SPYGLASS RES	25.00000000
0815199 BC LTD	16.66670000		

ROYALTY DEDUCTIONS -

DEDUCTIONS: ON PETROLEUM: TRUCKING/TRANSPORTATION COSTS; ON NG AND OTHER
HYDROCARBONS: COMPRESSION, ABSORPTION, OR OTHER PLANT EXTRACTION OR
STABILIZATION

M006462

A

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C007120 C	NONCONVERTIBLE ORR	ALL PRODUCTS	N	N	100.00000000 % of
Roy Percent:	6.00000000				
Deduction:	YES				
Gas: Royalty:		Min Pay:			Prod/Sales:
S/S Oil: Min:		Div:			Prod/Sales:
Other Percent:		Min:			Prod/Sales:
Paid to:	PAIDTO (R)	Paid by:	PAIDBY (R)		
FREEHOLD ROY	100.00000000	ENERPLUS	26.25000000		
		ARC RESOURCES	23.75000000		
		CITY OF MED HAT	25.00000000		
		SPYGLASS RES	25.00000000		

ROYALTY DEDUCTIONS -

DEDUCTIONS: SAME AS DEDUCTED FOR THE CROWN LESSOR ROYALTY.

Division: SOUTH
Province: ALBERTA

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code
File Status	Int Type / Lse No/Name	Gross				
Mineral Int	Operator / Payor	Net	DOI Partner(s)			
				-		

A	ROYALTY DTERMINATION POINT : AT THE WELLHEAD
M008462	

Paid to:	LESSOR	(M)		Paid by:	WI	(C)
ALBERTA DEPT.		100.00000000		SPYGLASS RES		25.00000000
				CON NAT RESOURC		23.75000000
				ENERPLUS		26.25000000
				CITY OF MED HAT		25.00000000

M006185	PNG	CR	Eff: Mar 31, 1960	320.000	C002814	A No	WI
Sub: A	WI		Exp: Mar 30, 1981	320.000	SPYGLASS RES		49.500000000
ACTIVE	119781		Ext: 15	158.400	CDN NAT RESOURC		50.000000000
	CDN NAT RESOURC				ANDERSRA		0.500000000
100.000000000	CNRL				Total Rental:	448.00	
		Status		Acres	Net		Acres
		PRODUCING	Prod:	320.000	158.400	NProd:	0.000
		DEVELOPED	Dev:	320.000	158.400	Undev:	0.000

Well U.W.I.	Status/Type
100/02-17-019-10-W4/00	FLOWING/GAS
100/05-17-019-10-W4/00	FLOWING/GAS

Royalty / Encumbrances

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Lee No/Name		Gross			
Mineral Int	Operator / Payor		Net	DOI Partner(s)		

Lease Description / Rights Held

(cont'd)

M006185	A	Royalty Type		Product Type	Sliding Scale	Convertible	% of Prod/Sales
		CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS				
		Roy Percent:	UNKNOWN		Y	N	100.00000000 % of PROD
		Deduction:					
		Gas: Royalty:		Min Pay:			Prod/Sales: PROD
		S/S Oil: Min:		Div:			Prod/Sales: PROD
		Other Percent:		Min:			Prod/Sales: PROD

Paid to: LESSOR (M) Paid by: WI (C)
ALBERTA DEPT. SPYGLASS RES 49.50000000
100.00000000 CDN NAT RESOURC 50.00000000
ANDERSRA 0.50000000

M006188	PNG	CR	Eff: Dec 15, 1967	320.000	C002814 A No	WI
Sub: A	WI	Exp: Dec 14, 1977	320.000	SPYGLASS RES	49.50000000	
ACTIVE	12283	Ext: 15	158.400	CDN NAT RESOURC	50.00000000	
	CDN NAT RESOURC			ANDERSRA	0.50000000	
	SPYGLASS RES					

Total Rental: 448.00

Status	Acres	Net	NProd:	Undev:	Acres	Net
NON PRODUCING PROD:	0.000	0.000			320.000	158.400
DEVELOPED	320.000	158.400			0.000	0.000

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C002812 B OVERRIDING ROYALTY		ALL PRODUCTS	N	N	100.00000000 % of PROD
	Roy Percent:				1.50000000

Well U.W.I. Status/Type

100/02-17-019-10-W4/00 FLOWING/GAS	
100/05-17-019-10-W4/00 FLOWING/GAS	
100/06-17-019-10-W4/00 FLOWING/GAS	
100/06-17-019-10-W4/02 COMINGLED/JUNK	

Related Contracts

C002415 A	P&S	Mar 25, 2002 (I)
C002812 B	ROYALTY	Aug 27, 1969
C002814 A	POOL	Jun 01, 1974
PS00530 A	P&S	Jun 29, 2010 (I)
SA2103	CONOPERAT	Jan 01, 1999
SA2104	PROCESSIN	Sep 01, 2000

Area : PRINCESS

TWP 019 RGE 10 W4M W 17
PNG TO BASE SECOND_WHITE_SPECKS

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type	Lse No/Name	Gross				
Mineral Int	Operator / Payer		Net	DOI Partner(s)			

(cont'd)

M006188	A		UNKNOWN				100/08-17-019-10-W4/00 ABANDONED/GAS
		Deduction:					100/10-17-019-10-W4/00 FLOWING/GAS
		Gas: Royalty:		Min Pay:		Prod/Sales:	100/12-17-019-10-W4/00 FLOWING/GAS
		S/S OIL: Min:		Div:		Prod/Sales: PROD	100/14-17-019-10-W4/00 FLOWING/GAS
		Other Percent:		Min:		Prod/Sales: PROD	100/16-17-019-10-W4/00 FLOWING/GAS
		Paid to: ROY TO (C)		Paid by: ROY BY (C)			102/06-17-019-10-W4/00 ABANDONED/ABA
		BLUE SPRINGS EN	100.00000000	SPYGLASS RES	99.00000000		
				ANDERSRA	1.00000000		

CALCULATION NOTES PVE -

Cap Desc: TAXES, TRANSPORTATION, PROCESSING, STORAGE, DISTRIBUTION AND
COMPRESSION COSTS

SPECIAL NOTES PVE -

SEE DETAIL FOR DEDUCTIONS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTALL PRODUCTS	Y	N	100.00000000	% of PROD
Roy Percent:				
Deduction:	UNKNOWN			
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:		Div:		Prod/Sales: PROD
Other Percent:		Min:		Prod/Sales: PROD
Paid to: LESSOR (M)		Paid by: WI (C)		
ALBERTA DEPT.	100.00000000	SPYGLASS RES	49.50000000	
		CDN NAT RESOURC	50.00000000	
		ANDERSRA	0.50000000	

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SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH
 Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lse Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	DOI Partner(s)			

M008181 PNG CR Eff: Dec 15, 1967 980.000 C002814 A No WI
 Sub: A WI Exp: Dec 14, 1977 960.000 SPYGLASS RES 49.500000000
 ACTIVE 12284 Ext: 15 475.200 CDN NAT RESOURC 50.000000000
 CDN NAT RESOURC ANDERSRA 0.500000000
 100.000000000 SPYGLASS RES

Total Rental: 1344.00

Related Contracts

C002415 A	P&S	Mar 25, 2002 (I)
C002812 B	ROYALTY	Aug 27, 1969
C002814 A	POOL	Jun 01, 1974
FA6134 A	CO&O	Dec 01, 1975
FA6135 A	CO&O	Nov 15, 1975
FA6135 B	CO&O	Nov 15, 1975
FA6135 C	CO&O	Nov 15, 1975
FA6135 D	CO&O	Nov 15, 1975
PS00530 A	P&S	Jun 29, 2010 (I)
SA2103	CONOPERAT	Jan 01, 1999
SA2104	PROCESSIN	Sep 01, 2000

Status
 NON PRODUCING Prod:
 DEVELOPED Dev:

Royalty / Encumbrances

<Linked> Royalty Type
 C002812 B OVERRIDING ROYALTY

Roy Percent: 1.50000000
 Deduction: UNKNOWN
 Gas: Royalty:
 S/S OIL: Min:
 Other Percent:

Product Type ALL PRODUCTS
 Siding Scale N
 Convertible N
 % of Prod/Sales 100.000000000
 % of PROD

Paid to: ROY TO (C)
 BLUE SPRINGS EN 100.000000000

Min Pay:
 Div:
 Min:
 Paid by: ROY BY (C)
 SPYGLASS RES 99.000000000
 ANDERSRA 1.000000000

CALCULATION NOTES PVE -

Cap Desc: TAXES, TRANSPORTATION, PROCESSING, STORAGE, DISTRIBUTION AND
 COMPRESSION COSTS
 SPECIAL NOTES PVE -
 SEE DETAIL FOR DEDUCTIONS

Well U.W.I. Status/Type
 100/01-19-019-10-W4/00 FLOWING/GAS
 100/02-30-019-10-W4/00 FLOWING/GAS
 100/04-19-019-10-W4/00 FLOWING/GAS
 100/04-30-019-10-W4/00 FLOWING/GAS
 100/05-31-019-10-W4/00 FLOWING/GAS
 100/06-19-019-10-W4/00 FLOWING/GAS
 100/06-30-019-10-W4/02 COMINGLED/UNK
 100/06-30-019-10-W4/02 COMINGLED/UNK
 100/06-31-019-10-W4/00 FLOWING/GAS
 100/06-31-019-10-W4/02 COMINGLED/UNK
 100/07-31-019-10-W4/00 ABANDONED/GAS
 100/08-19-019-10-W4/00 FLOWING/GAS
 100/08-30-019-10-W4/00 ABANDONED/GAS

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lease Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Lse No/Name		Gross			
Mineral Int	Operator / Payor	Net	DOI Partner(s)			

Lease Description / Rights Held

(cont'd)

M006181

A

Royalty / Encumbrances					
Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales	
CROWN SLIDING SCALE ROYALTY ALL PRODUCTS		Y	N	100.00000000	% of PROD
Roy Percent:	UNKNOWN				
Deduction:					
Gas Royalty:		Min Pay:		Prod/Sales:	
S/S OIL: Min:	Max:	Div:		Prod/Sales:	PROD
Other Percent:		Min:		Prod/Sales:	PROD
Paid to:	LESSOR (M)	Paid by:	WI	(C)	
ALBERTA DEPT.	100.00000000	SPYGLASS RES		49.50000000	
		CDN NAT RESOURC		50.00000000	
		ANDERSRA		0.50000000	

100/08-31-019-10-W4/00 FLOWING/GAS

100/10-19-019-10-W4/00 FLOWING/GAS

100/12-19-019-10-W4/00 FLOWING/GAS

100/12-30-019-10-W4/00 FLOWING/GAS

100/13-31-019-10-W4/00 FLOWING/GAS

100/14-19-019-10-W4/00 FLOWING/GAS

100/14-30-019-10-W4/00 FLOWING/GAS

100/14-31-019-10-W4/00 FLOWING/GAS

100/15-30-019-10-W4/00 FLOWING/GAS

100/15-31-019-10-W4/00 FLOWING/GAS

100/16-19-019-10-W4/00 FLOWING/GAS

100/16-30-019-10-W4/00 FLOWING/GAS

100/16-31-019-10-W4/00 FLOWING/GAS

102/06-19-019-10-W4/00 ABANDONED/ABA

M006186	PNG	CR	Eff: Mar 31, 1960	1,280.000	C002814	A	No	WI	Area : PRINCESS
Sub: A	WI		Exp: Mar 30, 1981	1,280.000	SPYGLASS RES				TWP 19 RGE 10 W4M E19 W20 W29
ACTIVE	119792		Ext: 15	633.600	CDN NAT RESOURC				E30
	CDN NAT RESOURC				ANDERSRA				PNG TO BASE SECOND_WHITE_SPECKS
	CNRL								
100.00000000									
Total Rental: 1782.00									
Related Contracts									
C002415 A P&S Mar 25, 2002 (I)									
C002814 A POOL Jun 01, 1974									
PS00530 A P&S Jun 29, 2010 (I)									
SA2103 CONOPERAT Jan 01, 1999									
SA2104 PROCESSIN Sep 01, 2000									
Well U.W.I. Status/Type									
100/01-19-019-10-W4/00 FLOWING/GAS									

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	File Status	Mineral Int	Lease Type	Lessors Type	Int Type / Lease No/Name	Operator / Payor	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
							Gross	Net	DOI Partner(s)		
(cont'd)											
Royalty Type											
CROWN SLIDING SCALE ROYALTY ALL PRODUCTS											
Roy Percent: 100.00000000 % of PROD											
Deduction: UNKNOWN											
Gas: Royalty: 100.00000000											
S/S OIL: Min: 100.00000000											
Other Percent: 100.00000000											
Paid to: LESSOR (M)											
ALBERTA DEPT. 100.00000000											
Paid by: WI (C)											
SPYGLASS RES 49.50000000											
CDN NAT RESOURC 50.00000000											
ANDERSRA 0.50000000											
Max:											
Min Pay:											
Div:											
Min:											
Prod/Sales: PROD											
Prod/Sales: PROD											
Prod/Sales: PROD											
100/02-30-019-10-W4/00 FLOWING/GAS											
100/04-19-019-10-W4/00 FLOWING/GAS											
100/04-20-019-10-W4/00 FLOWING/GAS											
100/04-29-019-10-W4/00 FLOWING/GAS											
100/04-30-019-10-W4/00 FLOWING/GAS											
100/06-19-019-10-W4/00 FLOWING/GAS											
100/06-20-019-10-W4/00 FLOWING/GAS											
100/06-20-019-10-W4/02 COMINGLED/UNK											
100/06-29-019-10-W4/00 FLOWING/GAS											
100/06-29-019-10-W4/02 COMINGLED/UNK											
100/06-30-019-10-W4/00 FLOWING/GAS											
100/07-20-019-10-W4/00 FLOWING/GAS											
100/07-29-019-10-W4/00 FLOWING/GAS											
100/08-19-019-10-W4/00 FLOWING/GAS											
100/08-20-019-10-W4/00 FLOWING/GAS											
100/08-29-019-10-W4/00 FLOWING/GAS											
100/08-30-019-10-W4/00 ABANDONED/GAS											
100/08-30-019-10-W4/02 COMINGLED/UNK											
100/10-19-019-10-W4/00 FLOWING/GAS											
100/11-20-019-10-W4/00 ABANDONED/GAS											
100/11-20-019-10-W4/02 ABANDONED/GAS											
100/12-19-019-10-W4/00 FLOWING/GAS											
100/12-29-019-10-W4/00 FLOWING/GAS											
100/12-30-019-10-W4/00 FLOWING/GAS											
100/14-19-019-10-W4/00 FLOWING/GAS											
100/14-20-019-10-W4/00 FLOWING/GAS											
100/14-29-019-10-W4/00 ABANDONED/GAS											
100/14-30-019-10-W4/00 FLOWING/GAS											
100/15-30-019-10-W4/00 FLOWING/GAS											
100/16-19-019-10-W4/00 FLOWING/GAS											
100/16-20-019-10-W4/00 FLOWING/GAS											
100/16-29-019-10-W4/00 FLOWING/GAS											

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SPYGLASS RESOURCES CORP. **Mineral Property Report**

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	File Status	Mineral Int	Lease Type	Lessor Type	Int Type / Lease No/Name	Operator / Payor	Exposure Gross	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
							Net	DOI Partner(s)			

(cont'd)

M006186			A								100/16-30-019-10-W4/00 FLOWING/GAS 102/10-20-019-10-W4/00 FLOWING/GAS 102/10-29-019-10-W4/00 FLOWING/GAS
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M006182			PNG	CR	Eff: Dec 15, 1967 Exp: Dec 14, 1977 Ext: 15	CDN NAT RESOURC ANDERSRA	640.000 640.000 316.800	Oper. Cont.	ROFR	DOI Code	Area : PRINCESS TWP 019 RGE 10 W4M E 20 E 29 PNG TO BASE SECOND_WHITE_SPECKS
---------	--	--	-----	----	---	-----------------------------	-------------------------------	-------------	------	----------	--

Total Rental: 896.00

Status	Related Contracts
PRODUCING	C002415 A P&S Mar 25, 2002 (I)
DEVELOPED	C002812 B ROYALTY Aug 27, 1969 C002814 A POOL Jun 01, 1974 PS00530 A P&S Jun 29, 2010 (I) SA2103 CONOPERAT Jan 01, 1999 SA2104 PROCESSIN Sep 01, 2000

Royalty / Encumbrances

Product Type	Sliding Scale	Convertible	% of Prod/Sales
ALL PRODUCTS	N	N	100.00000000 % of PROD
Roy Percent:	1.50000000		
Deduction:	UNKNOWN		
Gas: Royalty:			
S/S OIL: Min:			
Other Percent:			
Paid to: ROY TO (C)			
BLUE SPRINGS EN	100.00000000		
Paid by: ROY BY (C)			
SPYGLASS RES	99.00000000		
ANDERSRA	1.00000000		

CALCULATION NOTES PVE -

Cap Desc: TAXES, TRANSPORTATION, PROCESSING, STORAGE, DISTRIBUTION AND

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Lee No/Name		Gross			
Mineral Int	Operator / Payor		Net	Dot Partner(s)		

Lessee Description / Rights Held

(conf'd)

M006466
Sub: A

Royalty / Encumbrances				Status/Type	
<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C007120 A	NONCONVERTIBLE ORR	ALL PRODUCTS	N	N	100.00000000 % of
Roy Percent:	10.00000000				
Deduction:	YES				
Gas: Royalty:					
S/S OIL: Min:					
Other Percent:					
Paid to:	ROY TO (C)	Paid by:	ROY BY (C)		
FREEHOLD PART		ENERPLUS			
WINDRIFT		ARC RESOURCES			
1372331 ALBERTA		CITY OF MED HAT			
1334540 ALBERTA		SPYGLASS RES			
0815199 BC LTD					
ROYALTY DEDUCTIONS -					
DEDUCTIONS: ON PETROLEUM-TRUCKING/TRANSPORTATION COSTS; ON NG AND OTHER					
HYDROCARBONS-COMPRESSION, ABSORPTION, OR OTHER PLANT EXTRACTION OR					
STABILIZATION					
Min Pay:					
Div:					
Min:					
Max:					
Prod/Sales:					
Prod/Sales:					
Prod/Sales:					
C007120 A	ROYALTY				Nov 01, 2011
FA6134 A	CO&O				Dec 01, 1975
FA6135 A	CO&O				Nov 15, 1975
FA6135 B	CO&O				Nov 15, 1975
FA6135 C	CO&O				Nov 15, 1975
FA6135 D	CO&O				Nov 15, 1975
PS00530 A	P&S				Jun 29, 2010 (I)

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction:	UNKNOWN			
Gas: Royalty:				
S/S OIL: Min:				
Max:				
Prod/Sales:				
Prod/Sales:				
Prod/Sales:				

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SPYGLASS RESOURCES CORP. **Mineral Property Report**

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	File Status	Mineral Int	Lease Type	Lease No/Name	Operator / Payor	Exposure Gross	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
						Net	DOI Partner(s)			

(cont'd)

Other Percent:		Min:	Prod/Sales: PROD
Paid to:	LESSOR (M)	Paid by:	WI (C)
ALBERTA DEPT.	100.00000000	SPYGLASS RES	25.00000000
		CDN NAT RESOURC	23.75000000
		ENERPLUS	26.25000000
		CITY OF MED HAT	25.00000000

M006466	PNG	CR	Eff: Feb 04, 1971	640.000	C003223 D No	BPEN	APEN	Area : PRINCESS
Sub: B	PENALTY		Exp: Feb 03, 1981	640.000	ENERPLUS	39.08000000	26.25000000	TWP 19 RGE 10 W4M 21
ACTIVE	24568		Ext: 15	0.000	CDN NAT RESOURC	23.75000000	23.75000000	(PRODUCTION FROM PENALTY WELL
	ENERPLUS				CITY OF MED HAT	37.19000000	25.00000000	100/09-21-019-10W/00 &
100.00000000	ENERPLUS		Count Acreage = No		SPYGLASS RES		25.00000000	100/15-21-019-10W4/00)

Total Rental: 896.00

Status	Acres	Net	NPProd:	Undev:	Related Contracts
PRODUCING	640.000	0.000	0.000	0.000	C002415 A P&S Mar 25, 2002 (I)
DEVELOPED	640.000	0.000	0.000	0.000	C003223 D JOA Feb 01, 1989
					C003224 E MEMORANDUM Sep 04, 1974 (I)
					C007120 F ROYALTY Nov 01, 2011
					PS00530 A P&S Jun 29, 2010 (I)

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:	100.00000000			
Deduction:	STANDARD			
Gas: Royalty:				
S/S OIL: Min:				
Max:				
Min Pay:				
Div:				
Prod/Sales:				
Prod/Sales:				

Well U.W.I. Status/Type
100/15-21-019-10-W4/00 STANDING/UNKN
100/09-21-019-10-W4/00 STANDING/UNKN

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SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lease Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Lease No/Name		Gross			
Mineral Int	Operator / Payor		Net	DOI Partner(s)		

Lease Description / Rights Held

(cont'd)

Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) 100.000000000
ALBERTA DEPT.
Paid by: BPEN (C) 39.060000000
ENERPLUS
CDN NAT RESOURC 23.750000000
CITY OF MED HAT 37.190000000
SPYGLASS RES

M006483	PNG	CR	Eff: Feb 04, 1971	2,560.000	C003223	E	No	WI
Sub: A	WI		Exp: Feb 03, 1981	2,560.000	SPYGLASS RES			25.000000000
ACTIVE	24569		Ext: 15	640.000	CDN NAT RESOURC			23.750000000
	ENERPLUS				ENERPLUS			26.250000000
100.000000000	ENERPLUS				CITY OF MED HAT			25.000000000

Area : PRINCESS
TWP 19 RGE 10 W4M N22, 23, 27,
S28, 35
PNG TO BASE MEDICINE_HAT
(EXCL PRODUCTION FROM PENALTY
WELL 102/11-22-019-10W4/00 &
102/13-22-019-10W4/00 &
103/15-22-019-10W4/00)

Total Rental: 0.00

Status
PRODUCING
DEVELOPED
Acres
2,560.000
2,560.000
Prod: 640.000
Dev: 640.000
Net
640.000
NProd:
Undev:
Acres
0.000
0.000
Net
0.000
0.000

Related Contracts

C002415	A	P&S	Mar 25, 2002 (I)
C003223	E	JOA	Feb 01, 1989
C003224	D	MEMORANDUM	Sep 04, 1974 (I)
C007120	B	ROYALTY	Nov 01, 2011
FA6134	A	CO&O	Dec 01, 1975
FA6135	A	CO&O	Nov 15, 1975
FA6135	B	CO&O	Nov 15, 1975
FA6135	C	CO&O	Nov 15, 1975
FA6135	D	CO&O	Nov 15, 1975
PS00530	A	P&S	Jun 29, 2010 (I)

Well U.W.I. Status/Type

<Linked> Royalty Type
C007120 B NONCONVERTIBLE ORR
Roy Percent: 10.000000000
Deduction: YES
Gas: Royalty:
S/S OIL: Min:
Other Percent:
Product Type
ALL PRODUCTS
Sliding Scale
N
Convertible
N
% of Prod/Sales
100.000000000
% of
Prod/Sales:
Prod/Sales:
Prod/Sales:

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SAB WORKING INTEREST PROPERTY REPORT

File Number	Les Type	Lessor Type	DOI Code
File Status	Int Type / Lse No/Name	Exposure Gross	Oper.Cont. ROFR
Mineral Int	Operator / Payor	Net	DOI Partner(s)

(cont'd)

Paid to:	ROY TO	(C)
FREEHOLD PART		
WINDRIFT		
1372331 ALBERTA		25.00000000
1334540 ALBERTA		25.00000000
0815199 BC LTD		16.66670000
Paid by:	ROY BY	(C)
ENERPLUS		26.25000000
AFC RESOURCES		23.75000000
CITY OF MED HAT		25.00000000
SPYGLASS RES		25.00000000
100/06-22-019-10-W-4/00 FLOWING/GAS		
100/06-23-019-10-W-4/00 FLOWING/GAS		
100/06-28-019-10-W-4/00 FLOWING/GAS		
100/08-22-019-10-W-4/00 FLOWING/GAS		
100/08-23-019-10-W-4/00 FLOWING/GAS		
100/08-27-019-10-W-4/00 FLOWING/GAS		

ROYALTY DEDUCTIONS -

DEDUCTIONS: ON PETROLEUM-TRUCKING/TRANSPORTATION COSTS; ON NG AND OTHER HYDROCARBONS-COMPRESSION, ABSORPTION, OR OTHER PLANT EXTRACTION OR STABILIZATION

Royalty Type		Product Type		Royalty / Encumbrances	
CROWN SLIDING SCALE ROYALTY		ALL PRODUCTS			
Roy Percent:		Sliding Scale		Convertible	
Deduction:		Y		N	
Gas: Royalty:				% of Prod/Sales	
S/S OIL: Min:				100.00000000 % of	
Other Percent:					
Paid to: LESSOR (M)		Min Pay:		Prod/Sales:	
ALBERTA DEPT.		Div:		Prod/Sales:	
		Max:		Prod/Sales:	
		Min:			
Paid by: WI				(C)	
100.00000000				25.00000000	
				23.75000000	
				26.25000000	
				25.00000000	

CS*EXPLORER Version: 9.10.04

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type	Lee No/Name	Gross			
Mineral Int	Operator / Payor		Net	DOI Partner(s)		Lease Description / Rights Held

(cont'd)

M006463	B	ALBERTA DEPT.	100.00000000	ENERPLUS	39.06000000
				CITY OF MED HAT	37.19000000
				CDN NAT RESOURC	23.75000000
				SPYGLASS RES	

M006474	PNG	CR	Eff: Feb 04, 1971	320.000	C003223 E No	WI
Sub: A	WI		Exp: Feb 03, 1981	320.000	SPYGLASS RES	25.00000000
ACTIVE	24570		Ext: 15	80.000	CDN NAT RESOURC	23.75000000
	ENERPLUS				ENERPLUS	26.25000000
100.00000000	ENERPLUS				CITY OF MED HAT	25.00000000

Area : PRINCESS
TWP 19 RGE 10 W4M S22
PNG TO BASE MEDICINE_HAT
(EXCL PRODUCTION FROM PENALTY
WELLS 102/03-22-019-10W4/00 &
102/05-22-019-10W4/00)

Total Rental: 0.00

Status	Acres	Net	Acres	Net
PRODUCING	320.000	80.000	0.000	0.000
DEVELOPED	320.000	80.000	0.000	0.000

Royalty / Encumbrances

<Linked> C007120 B NONCONVERTIBLE ORR	Roy Percent:	10.00000000	Product Type	Sliding Scale	Convertible	% of Prod/Sales
	Deduction:	YES	ALL PRODUCTS	N	N	100.00000000 % of
	Gas: Royalty:		Min Pay:			Prod/Sales:
	S/S OIL: Min:		Div:			Prod/Sales:
	Other Percent:		Min:			Prod/Sales:

Paid to: ROY TO (C) Paid by: ROY BY (C)

Related Contracts

C002415 A	P&S	Mar 25, 2002 (I)
C003223 E	JOA	Feb 01, 1989
C003224 D	MEMORANDUM	Sep 04, 1974 (I)
C007120 B	ROYALTY	Nov 01, 2011
FA6134 A	CO&O	Dec 01, 1975
FA6135 A	CO&O	Nov 15, 1975
FA6135 B	CO&O	Nov 15, 1975
FA6135 C	CO&O	Nov 15, 1975
FA6135 D	CO&O	Nov 15, 1975
PS00530 A	P&S	Jun 29, 2010 (I)

Well U.W.I. Status/Type

100/06-22-019-10-W4/00	FLOWING/GAS
100/08-22-019-10-W4/00	FLOWING/GAS
100/14-22-019-10-W4/00	FLOWING/GAS

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lee No/Name		Gross				
Mineral Int	Operator / Payor		Net	DOI Partner(s)			

(cont'd)

M006474	A	FREEHOLD PART WINDRIFT 1372331 ALBERTA 1334540 ALBERTA 0815199 BC LTD	25.00000000 25.00000000 16.66670000 16.66660000 16.66670000	ENERPLUS ARC RESOURCES CITY OF MED HAT SPYGLASS RES	26.25000000 23.75000000 25.00000000 25.00000000		100/16-22-019-10-W4/00 FLOWING/GAS 100/02-22-019-10-W4/00 FLOWING/GAS 100/04-22-019-10-W4/00 FLOWING/GAS 100/10-22-019-10-W4/00 FLOWING/GAS 100/12-22-019-10-W4/00 FLOWING/GAS
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ROYALTY DEDUCTIONS -

DEDUCTIONS: ON PETROLEUM-TRUCKING/TRANSPORTATION COSTS; ON NG AND OTHER
HYDROCARBONS-COMPRESSION, ABSORPTION, OR OTHER PLANT EXTRACTION OR
STABILIZATION

Royalty Type
CROWN SLIDING SCALE ROYALTY ALL PRODUCTS

Roy Percent:
Deduction: UNKNOWN
Gas: Royalty:
S/S OIL: Min:
Other Percent:

Max:
Min Pay:
Div:
Min:

Prod/Sales:
Prod/Sales:
Prod/Sales:

Paid to: LESSOR (M)
ALBERTA DEPT.

Paid by: WI (C)
SPYGLASS RES 25.00000000
CDN NAT RESOURC 23.75000000
ENERPLUS 26.25000000
CITY OF MED HAT 25.00000000

M006474	PNG	CR	Eff: Feb 04, 1971	320.000	C003223	C No	BPEN	APEN	Area : PRINCESS
Sub: B	PENALTY		Exp: Feb 03, 1981	320.000	ENERPLUS		39.06000000	26.25000000	TWP 019 RGE 10 W4M S22
ACTIVE	24570		Ext: 15	0.000	CITY OF MED HAT		37.19000000	25.00000000	(PRODUCTION FROM PENALTY WELLS

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	File Status	File Type	Initial Type / Lse No/Name	Operator / Payer	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
Mineral Int					Gross				
					Net	DOI Partner(s)			

(cont'd)

M008474
Sub: B ENERPLUS
100.00000000 ENERPLUS

Count Acreage = No

CDN NAT RESOURC 23.75000000 23.75000000
SPYGLASS RES 25.00000000 102/05-22-019-10W4/00 &
102/05-22-019-10W4/00)

Total Rental: 448.00

Status	Acres	Net	Acres	Net	Related Contracts
PRODUCING	320.000	0.000	0.000	0.000	C002415 A P&S Mar 25, 2002 (I)
DEVELOPED	320.000	0.000	0.000	0.000	C003223 C JOA Feb 01, 1989
					C003224 D MEMORANDUM Sep 04, 1974 (I)
					C007120 G ROYALTY Nov 01, 2011
					PS00530 A P&S Jun 29, 2010 (I)

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY ALL PRODUCTS	Y	N	100.00000000	% of PROD
Roy Percent: 100.00000000				
Deduction: STANDARD				
Gas: Royalty:	Min Pay:			Prod/Sales:
S/S OIL: Min:	Div:			Prod/Sales:
Other Percent:	Min:			Prod/Sales:
Paid to: LESSOR (M)	Paid by: BPEN (C)			
ALBERTA DEPT.	ENERPLUS			39.06000000
	CITY OF MED HAT			37.19000000
	CDN NAT RESOURC			23.75000000
	SPYGLASS RES			

M008457 PNG CR Eff: May 22, 1973 320.000 C003223 A No
Sub: A WI Exp: May 21, 1983 320.000 SPYGLASS RES

WI 25 00000000 RENTAL Area : PRINCESS
17.50000000 TWP 19 RGE 10 W4M N28

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Lee No/Name		Gross			
Mineral Int	Operator / Payor		Net	DOI Partner(s)		Lease Description / Rights Held

(cont'd)

M008457

Sub: A

ACTIVE

31463

ENERPLUS

100.000000000 PENGROWTH EN

Ext: 15

80.000 CDN NAT RESOURC
ENERPLUS
CITY OF MED HAT
PENGROWTH EN

23.75000000
26.25000000
25.00000000
16.82500000
18.37500000
17.50000000
30.00000000

PNG TO BASE MEDICINE_HAT

Total Rental: 448.00

Status	Acres	Net	Acres	Net
PRODUCING	320.000	80.000	0.000	0.000
DEVELOPED	320.000	80.000	0.000	0.000

Royalty / Encumbrances

<Linked> Royalty Type

C007120 D NONCONVERTIBLE ORR

Roy Percent: 6.00000000

Deduction: YES

Gas: Royalty:

S/S OIL: Min:

Other Percent:

Product Type	Sliding Scale	Convertible	% of Prod/Sales
ALL PRODUCTS	N	N	85.00000000 % of

Min Pay:

Div:

Min:

Prod/Sales:

Prod/Sales:

Prod/Sales:

Paid to: ROY TO (C)

FREEHOLD PART

100.00000000

Paid by: ROY BY (C)

ENERPLUS

ARC RESOURCES

CITY OF MED HAT

SPYGLASS RES

26.25000000

23.75000000

25.00000000

25.00000000

Well U.W.I.

Status/Type

100/14-28-019-10-W4/00 FLOWING/GAS

100/16-28-019-10-W4/00 FLOWING/GAS

102/10-28-019-10-W4/00 FLOWING/GAS

100/12-28-019-10-W4/00 FLOWING/GAS

ROYALTY DEDUCTIONS

DEDUCTIONS: SAME AS ARE DEDUCTED FOR THE CROWN LESSOR ROYALTY. ROYALTY

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	DOI Partner(s)			

(cont'd)

M006457 A

DETERMINATION POINT: AT THE WELLHEAD.

GENERAL REMARKS -

NON-CONVERTIBLE OVERRIDING OYALTIES OF 0.75% PAYABLE TO WILLOW CREEK SYNDICATE AND 0.5625% PAYABLE TO J.S. IRWIN ARE SOLELY THE RESPONSIBILITY OF FREEHOLD TRUST.

<Linked> Royalty Type

C007120 D NONCONVERTIBLE ORR

Roy Percent: 2.50000000

Deduction: YES

Gas: Royalty:

S/S OIL: Min:

Other Percent:

Product Type ALL PRODUCTS
Sliding Scale N
Convertible N
% of Prod/Sales 85.00000000 % of

Min Pay:

Div:

Min:

Prod/Sales:

Prod/Sales:

Prod/Sales:

Paid to: PAIDTO (R)

FREEHOLD PART

WINDRIFT

1372331 ALBERTA

1334540 ALBERTA

0815199 BC LTD

25.00000000

25.00000000

16.66666666

16.66670000

16.66670000

Paid by: ROY BY (C)

ENERPLUS

ARC RESOURCES

CITY OF MED HAT

SPYGLASS RES

26.25000000

23.75000000

25.00000000

25.00000000

25.00000000

ROYALTY DEDUCTIONS - Sep 04, 2012

ON PETROLEUM - TRUCKING/TRANSPORTATION COSTS; ON NATURAL GAS AND OTHER HYDROCARBONS.

Royalty Type

CROWN SLIDING SCALE ROYALTY ALL PRODUCTS

Roy Percent:

Deduction:

Gas: Royalty:

S/S OIL: Min:

Product Type ALL PRODUCTS
Sliding Scale Y
Convertible N
% of Prod/Sales 100.00000000 % of PROD

Min Pay:

Div:

Max:

Prod/Sales:

Prod/Sales:

INCLUDES ORR OF
10% ON 100% production
paid to Freehold Part
by Spyglass to 25%

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SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	File Status	Mineral Int	Lease Type	Lease No/Name	Operator / Payor	Exposure	Oper.Cont.	ROFR	DOI Code	Lease Description / Rights Held
						Gross				
						Net	DOI Partner(s)			

(cont'd)

Other Percent:		Min:	Prod/Sales:
Paid to:	LESSOR (M)		
ALBERTA DEPT.			
		Paid by:	WI
		SPYGLASS RES	(C)
		CDN NAT RESOURC	25.00000000
		ENERPLUS	23.75000000
		CITY OF MED HAT	28.25000000
			25.00000000

M006187	PNG	CR	Eff: Mar 31, 1960	320.000	C002814	A	No	WI
Sub: A	WI		Exp: Mar 30, 1981	320.000	SPYGLASS RES			49.50000000
ACTIVE	119795	Ext: 15		158.400	CDN NAT RESOURC			50.00000000
					ANDERSRA			0.50000000
100.00000000	CDN NAT RESOURC							
	CNRL							

Total Rental: 448.00

Related Contracts

C002415 A	P&S	Mar 25, 2002 (I)
C002814 A	POOL	Jun 01, 1974
PS00530 A	P&S	Jun 29, 2010 (I)
SA2103	CONOPERAT	Jan 01, 1999
SA2104	PROCESSIN	Sep 01, 2000

Well U.W.I. Status/Type

100/05-31-019-10-W4/00	FLOWING/GAS
100/06-31-019-10-W4/00	FLOWING/GAS
100/06-31-019-10-W4/02	COMINGLED/JUNK
100/07-31-019-10-W4/00	ABANDONED/GAS
100/08-31-019-10-W4/00	FLOWING/GAS
100/13-31-019-10-W4/00	FLOWING/GAS
100/14-31-019-10-W4/00	FLOWING/GAS
100/15-31-019-10-W4/00	FLOWING/GAS
100/16-31-019-10-W4/00	FLOWING/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000
Roy Percent:				% of PROD
Deduction:	UNKNOWN			
Gas: Royalty:				
S/S Oil: Min:				
Other Percent:				
Min Pay:				Prod/Sales:
Div:				Prod/Sales:
Min:				Prod/Sales:

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SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Lse No/Name		Gross			
Mineral Int	Operator / Payor		Net	DOI Partner(s)		

Lease Description / Rights Held

(cont'd)

Paid to: LESSOR (M) Paid by: WI (C)
ALBERTA DEPT. SPYGLASS RES 49.50000000
100.000000000 CDN NAT RESOURC 50.00000000
ANDERSRA 0.50000000

M006473	PNG	CR	Eff: Feb 04, 1971	960.000	C003223	E	No	WI
Sub: A	WI		Exp: Feb 03, 1981	960.000	SPYGLASS RES			25.00000000
ACTIVE	24571		Ext: 15	240.000	CDN NAT RESOURC			23.75000000
	ENERPLUS				ENERPLUS			26.25000000
100.00000000	ENERPLUS				CITY OF MED HAT			25.00000000
				Total Rental:	0.00			

Area : PRINCESS
TWP 19 RGE 10 W4M 32, S33
PNG TO BASE MEDICINE HAT
(EXCL PRODUCTION FROM PENALTY
WELLS 103/10-32-019-10W4/00 &
102/13-32-019-10W4/00)

Status	Acres	Net	Prod:	Dev:	Product Type	Sldng Scale	Convertible	% of Prod/Sales
PRODUCING	960.000	240.000	NPProd:	Undev:	ALL PRODUCTS	N	N	100.000000000 % of
DEVELOPED	960.000	240.000						

Royalty Type				Royalty / Encumbrances			
<Linked> C007120 B NONCONVERTIBLE ORR							
Roy Percent: 10.000000000							
Deduction: YES							
Gas Royalty:							
S/S Oil: Min:							
Other Percent:							
Paid to: ROY TO (C)							
Max:							
Min Pay:							
Dlv: Min:							
Paid by: ROY BY (C)							
Prod/Sales:							
Prod/Sales:							
Prod/Sales:							

Related Contracts				Well U.W.I.	Status/Type
C002415 A	P&S	Mar 25, 2002 (I)		100/06-32-019-10-W4/00 FLOWING/GAS	
C003223 E	JOA	Feb 01, 1989		100/08-32-019-10-W4/00 FLOWING/GAS	
C003224 D	MEMORANDUM	Sep 04, 1974 (I)		100/08-33-019-10-W4/00 FLOWING/GAS	
C007120 B	ROYALTY	Nov 01, 2011		100/14-32-019-10-W4/00 FLOWING/GAS	
FA6134 A	CO&O	Dec 01, 1975			
FA6135 A	CO&O	Nov 15, 1975			
FA6135 B	CO&O	Nov 15, 1975			
FA6135 C	CO&O	Nov 15, 1975			
FA6135 D	CO&O	Nov 15, 1975			
PS00530 A	P&S	Jun 29, 2010 (I)			

Division: SOUTH

PROVINCES: ALBERTA

File Number	Lee Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code
File Status	Int Type / Lee No/Name		Gross			
Mineral Int	Operator / Payor		Net	DOI Partner(s)		

[illegible]

DEDUCTIONS: ON PETROLEUM-TRUCKING/TRANSPORTATION COSTS; ON NG AND OTHER HYDROCARBONS-COMPRESSION, ABSORPTION, OR OTHER PLANT EXTRACTION OR STABILIZATION

Paid to:	LESSOR	(M)	Paid by:	WI	(C)
ALBERTA DEPT.		100.00000000	SPYGLASS RES		25.00000000
			CDN NAT RESOURC		23.75000000
			ENERPLUS		26.25000000
			CITY OF MED HAT		25.00000000

CS*EXPLORER Version: 9.10.04

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lee No/Name		Gross				
Mineral Int	Operator / Payor		Net	DOI Partner(s)			

(cont'd)

M006473

Sub: B ENERPLUS

100.00000000 ENERPLUS

Count Acreage = No

CDN NAT RESOURC 23.75000000 103/10-32-019-10W4/00 &
SPYGLASS RES 25.00000000 102/13-32-019-10W4/00)

Total Rental: 1344.00

Status	Acres	Net	Acres	Net	Related Contracts
PRODUCING	960.000	0.000	0.000	0.000	C002415 A P&S Mar 25, 2002 (I)
DEVELOPED	960.000	0.000	0.000	0.000	C003223 C JOA Feb 01, 1989
					C003224 D MEMORANDUM Sep 04, 1974 (I)
					C007120 G ROYALTY Nov 01, 2011
					PS00530 A P&S Jun 29, 2010 (I)

Royalty / Encumbrances

Well U.W.I. Status/Type
102/13-32-019-10-W4/00 STANDING/UNKN
103/10-32-019-10-W4/00 STANDING/UNKN

Royalty Type
CROWN SLIDING SCALE ROYALTY/ALL PRODUCTS

Roy Percent: 100.00000000
Deduction: STANDARD
Gas: Royalty:
S/S OIL: Min:
Other Percent:
Min Pay:
Div:
Min:
Prod/Sales:
Prod/Sales:
Prod/Sales:

Paid to: LESSOR (M)
ALBERTA DEPT.
Paid by: BPEN (C)
ENERPLUS 39.06000000
CITY OF MED HAT 37.19000000
CDN NAT RESOURC 23.75000000
SPYGLASS RES

M006455 PNG CR Eff: Sep 23, 1971 180.000 C003222 A No WI
Sub: A WI Exp: Sep 22, 1981 180.000 SPYGLASS RES 21 25000000
Area : PRINCESS
TWP 19 RGE 10 W4M NE33

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SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH
Provinces: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	File Status	File Type	Int Type / Lessor Type	Int No/Name	Operator / Payor	Exposure Gross	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
Mineral Int	Operator	Payor	Operator	Payor	Operator	Net	DOI Partner(s)			

(cont'd)

M006455

Sub: A

ACTIVE

Ext: 15

28045
ENERPLUS

100.00000000 PENGROWTH EN

34.000 CDN NAT RESOURC
ENERPLUS
CITY OF MED HAT

PNG TO BASE MEDICINE_HAT

Total Rental: 224.00

Status	Acres	Net	Acres	Net
DEVELOPED	0.000	0.000	0.000	0.000
	160.000	34.000	0.000	0.000
Prod:		NProd:		
Dev:		Undev:		

----- Related Contracts -----

C002415 A	P&S	Mar 25, 2002 (I)
C003222 A	JOA	Feb 02, 1989
C003224 A	MEMORANDUM	Sep 04, 1974
C007120 E	ROYALTY	Nov 01, 2011
FA6134 A	CO&O	Dec 01, 1975
FA6135 A	CO&O	Nov 15, 1975
FA6135 B	CO&O	Nov 15, 1975
FA6135 C	CO&O	Nov 15, 1975
FA6135 D	CO&O	Nov 15, 1975
PS00530 A	P&S	Jun 29, 2010 (I)

----- Well U.W.L. Status/Type -----
100/10-33-019-10-W 4/00 FLOWING/GAS

Royalty / Encumbrances

<Linked> Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C007120 E NONCONVERTIBLE ORR	ALL PRODUCTS	N	N	85.00000000 % of
Roy Percent: 6.00000000				
Deduction: YES				
Gas: Royalty:	Min Pay:			Prod/Sales:
S/S OIL: Min:	Div:			Prod/Sales:
Other Percent:	Min:			Prod/Sales:

Paid to: ROY TO (C)	Paid by: ROY BY (C)
FREEHOLD PART	ENERPLUS
100.00000000	ARC RESOURCES
	CITY OF MED HAT
	SPYGLASS RES
	26.25000000
	23.75000000
	25.00000000
	25.00000000

ROYALTY DEDUCTIONS - Sep 04, 2012

DEDUCTIONS: SAME AS ARE DEDUCTED FOR THE CROWN LESSOR ROYALTY; ROYALTY

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lee No/Name		Gross				
Mineral Int	Operator / Payor	Net	DOI Partner(s)				

(cont'd)

M006455 A DETERMINATION POINT; AT THE WELLHEAD.

<Linked> Royalty Type
C007120 E NONCONVERTIBLE ORR
Product Type Sliding Scale Convertible % of Prod/Sales
ALL PRODUCTS N 85.00000000 % of

Roy Percent: 2.50000000

Deduction: YES

Gas: Royalty:

S/S OIL: Min:

Other Percent:

Min Pay:

Div:

Min:

Prod/Sales:

Prod/Sales:

Prod/Sales:

Paid to: PAIDTO (R)

FREEHOLD PART

WINDRIPT

1372331 ALBERTA

1334540 ALBERTA

0815199 BC LTD

25.00000000

25.00000000

16.66666000

16.66670000

Paid by: ROY BY (C)

ENERPLUS

ARC RESOURCES

CITY OF MED HAT

SPYGLASS RES

26.25000000

23.75000000

25.00000000

25.00000000

ROYALTY DEDUCTIONS - Sep 04, 2012

DEDUCTIONS: ON PETROLEUM - TRUCKING/TRANSPORTATION COSTS: ON NATURAL GAS
AND OTHER HYDROCARBONS.

Royalty Type
CROWN SLIDING SCALE ROYALTALL PRODUCTS
Product Type Sliding Scale Convertible % of Prod/Sales
ALL PRODUCTS Y N 100.00000000 % of PROD

Roy Percent:

Deduction: UNKNOWN

Gas: Royalty:

S/S OIL: Min:

Other Percent:

Min Pay:

Div:

Min:

Prod/Sales:

Prod/Sales:

Prod/Sales:

Paid to: LESSOR (M)

ALBERTA DEPT.

100.00000000

Paid by: WI (C)

SPYGLASS RES

21.25000000

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SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lse Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Lse No/Name		Gross			
Mineral Int	Operator / Payor		Net	DOI Partner(s)		

Lease Description / Rights Held

(cont'd)

M008461
Sub: A ENERPLUS
100.00000000 PENGROWTH EN

ENERPLUS 18.37500000
CITY OF MED HAT 26.25000000
PENGROWTH EN 25.00000000
30.00000000

Total Rental: 224.00

Status	Acres	Net	Acres	Net
PRODUCING	160.000	40.000	0.000	0.000
DEVELOPED	160.000	40.000	0.000	0.000

Related Contracts		
C002415 A	P&S	Mar 25, 2002 (I)
C003223 A	JOA	Feb 01, 1989
C003224 B	MEMORANDUM	Sep 04, 1974 (I)
C003225 A	ROYALTY	Apr 25, 1975 (I)
C007120 D	ROYALTY	Nov 01, 2011
FA6134 A	CO&O	Dec 01, 1975
FA6135 A	CO&O	Nov 15, 1975
FA6135 B	CO&O	Nov 15, 1975
FA6135 C	CO&O	Nov 15, 1975
FA6135 D	CO&O	Nov 15, 1975
PS00530 A	P&S	Jun 29, 2010 (I)
C006334 A	TRUST	Mar 24, 2010

Well U.W.I. Status/Type
102/06-34-019-10-W4/00 FLOWING/GAS
100/04-34-019-10-W4/00 FLOWING/GAS

<Linked> Royalty Type
C007120 D NONCONVERTIBLE ORR
Product Type ALL PRODUCTS
Sliding Scale N
Convertible N
% of Prod/Sales 85.00000000
% of

Roy Percent: 6.00000000

Deduction: YES

Gas Royalty:

S/S Oil: Min:

Other Percent:

Paid to: ROY TO (C)
FREEHOLD PART 100.00000000

Min Pay: ROY BY (C)
Div: ENERPLUS 26.25000000
Min: ARC RESOURCES 23.75000000
CITY OF MED HAT 25.00000000
SPYGLASS RES 25.00000000

Prod/Sales:
Prod/Sales:
Prod/Sales:

ROYALTY DEDUCTIONS -

DEDUCTIONS: SAME AS ARE DEDUCTED FOR THE CROWN LESSOR ROYALTY ROYALTY
DETERMINATION POINT: AT THE WELLHEAD.

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lee No/Name		Gross				
Mineral Int	Operator / Payor		Net	DOI Partner(s)			

(cont'd)

M006461

A GENERAL REMARKS -

NON-CONVERTIBLE OVERRIDING OYALTIES OF 0.75% PAYABLE TO WILLOW CREEK SYNDICATE AND 0.5625% PAYABLE TO J.S. IRWIN ARE SOLELY THE RESPONSIBILITY OF FREEHOLD TRUST.

INCLUDES ORR OF
1% ON 100% production
paid to Freehold Part
by Spyglass as to 25%
of

<Linked> Royalty Type

C007120 D NONCONVERTIBLE ORR

Roy Percent: 2.50000000

Deduction: YES

Gas: Royalty:

S/S Oil: Min:

Other Percent:

Product Type ALL PRODUCTS
Sliding Scale N
Convertible N
% of Prod/Sales 85.00000000 % of

Max:
Min Pay:
Div:
Min:
Prod/Sales:
Prod/Sales:
Prod/Sales:

Paid to: PAIDTO (R)

FREEHOLD PART

WINDRIFT

1372331 ALBERTA

1334540 ALBERTA

0815199 BC LTD

Paid by: ROY BY (C)

ENERPLUS 26.25000000

ARC RESOURCES 23.75000000

CITY OF MED HAT 25.00000000

SPYGLASS RES 25.00000000

ROYALTY DEDUCTIONS - Sep 04, 2012

ON PETROLEUM - TRUCKING/TRANSPORTATION COSTS; ON NATURAL GAS AND OTHER HYDROCARBONS.

Royalty Type

CROWN SLIDING SCALE ROYALTY ALL PRODUCTS

Roy Percent:

Deduction: UNKNOWN

Gas: Royalty:

S/S Oil: Min:

Other Percent:

Product Type ALL PRODUCTS
Sliding Scale Y
Convertible N
% of Prod/Sales 100.00000000 % of

Max:
Min Pay:
Div:
Min:
Prod/Sales:
Prod/Sales:
Prod/Sales:

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SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	File Status	Mineral Int	Lee Type	Lessor Type	Int Type / Lee No/Name	Operator / Payor	Exposure Gross	Oper. Cont.	ROFR	DOI Code	DOI Partner(s)	Lease Description / Rights Held
-------------	-------------	-------------	----------	-------------	------------------------	------------------	----------------	-------------	------	----------	----------------	---------------------------------

(cont'd)

Paid to: LESSOR (M)
ALBERTA DEPT.

Paid by: WI (C)
SPYGLASS RES 25.00000000
CDN NAT RESOURC 23.75000000
ENERPLUS 26.25000000
CITY OF MED HAT 25.00000000

M008465	PNG	CR	Eff: Feb 04, 1971	480.000	C003223 E No	WI	Area : PRINCESS
Sub: A	WI	Exp: Feb 03, 1981	480.000	SPYGLASS RES		25.00000000	TWP 19 RGE 10 W4M N&SE34
ACTIVE	24573	Ext: 15	120.000	CDN NAT RESOURC		23.75000000	PNG TO BASE MEDICINE_HAT
	ENERPLUS			ENERPLUS		26.25000000	(EXCL PRODUCTION FROM PENALTY
100.00000000	ENERPLUS			CITY OF MED HAT		25.00000000	WELL 102/11-34-019-10W4/00)

Total Rental: 0.00

Related Contracts

C002415 A	P&S	Mar 25, 2002 (I)
C003223 E	JOA	Feb 01, 1989
C003224 D	MEMORANDUM	Sep 04, 1974 (I)
C007120 B	ROYALTY	Nov 01, 2011
FA6134 A	CO&O	Dec 01, 1975
FA6135 A	CO&O	Nov 15, 1975
FA6135 B	CO&O	Nov 15, 1975
FA6135 C	CO&O	Nov 15, 1975
FA6135 D	CO&O	Nov 15, 1975
PS00530 A	P&S	Jun 28, 2010 (I)

Royalty / Encumbrances

Product Type	Sliding Scale	Convertible	% of Prod/Sales
ALL PRODUCTS	N	N	100.00000000 % of PROD

Well U.W.I.	Status/Type
100/08-34-019-10-W4/00 FLOWING/GAS	
100/13-34-019-10-W4/00 FLOWING/GAS	
100/16-34-019-10-W4/00 FLOWING/GAS	
102/14-34-019-10-W4/00 FLOWING/GAS	

Min Pay: Prod/Sales:
Div: Prod/Sales:
Min: Prod/Sales:

<Linked> Royalty Type
C003223 E GROSS OVERRIDING ROYALTY

Roy Percent: 10.00000000
Deduction: UNKNOWN
Gas: Royalty:
S/S OIL: Min:
Other Percent:

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lee No/Name		Gross				
Mineral Int	Operator / Payor		Net	DOI Partner(s)			

(cont'd)

Paid to:	PAIDTO (R)	Paid by:	PAIDBY (R)
WINDRIFT		SPYGLASS RES	25.00000000
0815199 BC LTD	50.00000000	ARC RESOURCES	23.75000000
1372331 ALBERTA	16.66665000	ENERPLUS	26.25000000
1334540 ALBERTA	16.66670000	CITY OF MED HAT	25.00000000

102/02-34-019-10-W4/00 FLOWING/GAS
100/10-34-019-10-W4/00 FLOWING/GAS
100/12-34-019-10-W4/00 FLOWING/GAS

M006465 A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTYALL PRODUCTS		Y	N	100.00000000 % of
Roy Percent:	UNKNOWN			
Deduction:				
Gas: Royalty:				
S/S OIL: Min:				
Other Percent:				
Min Pay:				
Div:				
Min:				
Prod/Sales:				
Prod/Sales:				
Prod/Sales:				

Paid to: LESSOR (M)
ALBERTA DEPT.

100.00000000
Paid by: WI (C)
SPYGLASS RES 25.00000000
CDN NAT RESOURC 23.75000000
ENERPLUS 26.25000000
CITY OF MED HAT 25.00000000

M006465	PNG	CR	EW: Feb 04, 1971	480.000	C003223	C No	BPEN	Area: PRINCESS
Sub: B	PENALTY		Exp: Feb 03, 1981	480.000	ENERPLUS		26.25000000	TWP 19 RGE 10 W4M N&SE34
ACTIVE	24573		Ext: 15	0.000	CITY OF MED HAT		25.00000000	(PRODUCTION FROM PENALTY WELL
	ENERPLUS				CDN NAT RESOURC		23.75000000	102/11-34-019-10W4/00)
100.00000000	ENERPLUS		Count Acreage = No		SPYGLASS RES		25.00000000	

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SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Les Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Les No/Name		Gross			
Mineral Int	Operator / Payor		Net	DOI Partner(s)		

Lease Description / Rights Held

(cont'd)

M006465
Sub: B

Related Contracts		
C002415 A	P&S	Mar 25, 2002 (I)
C003223 C	JOA	Feb 01, 1989
C003224 D	MEMORANDUM	Sep 04, 1974 (I)
C007120 G	ROYALTY	Nov 01, 2011
PS00530 A	P&S	Jun 28, 2010 (I)

Total Rental: 672.00

Status	Acres	Net	Acres	Net
PRODUCING	480.000	0.000	NPProd:	0.000
DEVELOPED	480.000	0.000	Undev:	0.000

Well U.W.I. Status/Type
102/11-34-019-10-W4/00 STANDING/UNKN

Royalty / Encumbrances

Royalty Type Product Type Sliding Scale Convertible % of Prod/Sales
CROWN SLIDING SCALE ROYALTY ALL PRODUCTS Y N 100.00000000 % of PROD

Roy Percent: 100.00000000
Deduction: STANDARD
Gas: Royalty:
S/S OIL: Min:
Other Percent:

Min Pay:
Div:
Min:

Prod/Sales:
Prod/Sales:
Prod/Sales:

Paid to: LESSOR (M)
ALBERTA DEPT. 100.000000000

Paid by: BPEN (C)

ENERPLUS 39.060000000
CITY OF MED HAT 37.190000000
CDN NAT RESOURC 23.750000000
SPYGLASS RES

M005796	PNG	CR	Eff: Jan 13, 2000	480.000	C002408 J No	WI	Area - MAJORVILLE
Sub: A	WI		Exp: Jan 12, 2005	480.000	SPYGLASS RES		TWP 019 RGE 19 W4M N3, SW3
ACTIVE	0400010047		Ext: 15	240.000	JOURNEY PRT		PNG TO BASE MEDICINE_HAT

SAB WORKING INTEREST PROPERTY REPORT

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SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH

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SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor	Net	DOI Partner(s)				

(cont'd)

M006456	A		Roy Percent: 6.00000000				100/14-02-020-10-W4/00 FLOWING/GAS
			Deduction: YES				102/06-02-020-10-W4/00 FLOWING/GAS
			Gas: Royalty:				100/04-02-020-10-W4/00 FLOWING/GAS
			S/S OIL: Min:				100/12-02-020-10-W4/00 LOCATION/LOCA
			Other Percent:				
			Paid to: ROY TO (C)				
			PENGROWTH EN				
			Max: 100.000000000				
			Min Pay: Div: Min:				
			Paid by: ROY BY (C)				
			ENERPLUS				
			ARC RESOURCES				
			CITY OF MED HAT				
			SPYGLASS RES				
			Prod/Sales: 26.25000000				
			Prod/Sales: 23.75000000				
			Prod/Sales: 25.00000000				
			Prod/Sales: 25.00000000				

ROYALTY DEDUCTIONS - Sep 04, 2012

DEDUCTIONS: SAME AS ARE DEDUCTED FOR THE CROWN LESSOR ROYALTY; ROYALTY DETERMINATION POINT: AT THE WELLHEAD.

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C007120 H NONCONVERTIBLE ORR		ALL PRODUCTS	N	N	85.00000000 % of
	Roy Percent: 2.50000000				
	Deduction: YES				
	Gas: Royalty:				
	S/S OIL: Min:				
	Other Percent:				
	Max:				
	Min Pay: Div: Min:				
	Paid to: PAID TO (R)				
	FREEHOLD PART				
	WINDRIFT				
	1372331 ALBERTA				
	1334540 ALBERTA				
	25.00000000				
	25.00000000				
	16.66660000				
	16.66670000				
	Paid by: ROY BY (C)				
	ENERPLUS				
	ARC RESOURCES				
	CITY OF MED HAT				
	SPYGLASS RES				
	Prod/Sales: 26.25000000				
	Prod/Sales: 23.75000000				
	Prod/Sales: 25.00000000				
	Prod/Sales: 25.00000000				

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lse Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payer	Net	DOI Partner(s)				

(cont'd)

M006458 A 0815199 BC LTD 16.86670000

ROYALTY DEDUCTIONS - Sep 04, 2012

DEDUCTIONS: ON PETROLEUM - TRUCKING/TRANSPORTATION COSTS: ON NATURAL GAS
AND OTHER HYDROCARBONS.

Royalty Type
CROWN SLIDING SCALE ROYALTY ALL PRODUCTS

Roy Percent:	Product Type	Sliding Scale	Convertible	% of Prod/Sales
		Y	N	100.00000000 % of PROD

Deduction: UNKNOWN

Gas: Royalty:	Min Pay:	Prod/Sales:
S/S OIL: Min:	Div:	Prod/Sales:
Other Percent:	Min:	Prod/Sales:

Paid to: LESSOR (M)
ALBERTA DEPT.

Paid by: WI (C)
SPYGLASS RES 21.25000000
CDN NAT RESOURC 35.18750000
ENERPLUS 22.31250000
CITY OF MED HAT 21.25000000

M006458	PNG	CR	Eff: May 22, 1973	320.000	C003223 A No	WI	RENTAL	Area : PRINCESS
Sub: A	WI		Exp: May 21, 1983	320.000	SPYGLASS RES		17.50000000	TWP 20 RGE 10 W4M W3
ACTIVE	31464		Ext: 15	80.000	CDN NAT RESOURC		16.62500000	PNG TO BASE MEDICINE_HAT
	ENERPLUS				ENERPLUS		18.37500000	
100.00000000	PENGROWTH EN				CITY OF MED HAT		17.50000000	
					PENGROWTH EN		30.00000000	
					Total Rental:	448.00		
								Related Contracts
								C002415 A P&S Mar 25, 2002 (I)
								C003223 A JOA Feb 01, 1989
								C003224 B MEMORANDUM Sep 04, 1974 (I)
								C003225 A ROYALTY Apr 25, 1975 (I)

Report Date: Sep 03, 2015

Page Number: 2682

** REPORTED IN ACRES **

SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Lee No/Name		Gross			
Mineral Int	Operator / Payor		Net	DOI Partner(s)		

Lease Description / Rights Held

(cont'd)

M008458
Sub: A

Status	Acres	Net	Acres	Net	Acres	Net	
PRODUCING	320.000	80.000	NProd:	0.000	0.000	0.000	C006334 A TRUST Mar 24, 2010
DEVELOPED	320.000	80.000	Undev:	0.000	0.000	0.000	C007120 D ROYALTY Nov 01, 2011
							FA6134 A CO&O Dec 01, 1975
							FA6135 A CO&O Nov 15, 1975
							FA6135 B CO&O Nov 15, 1975
							FA6135 C CO&O Nov 15, 1975
							FA6135 D CO&O Nov 15, 1975
							PS00530 A P&S Jun 29, 2010 (I)

Royalty / Encumbrances

<Linked> Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C007120 D NONCONVERTIBLE ORR	ALL PRODUCTS	N	N	85.00000000 % of
Roy Percent: 6.00000000				
Deduction: YES				
Gas: Royalty:	Min Pay:			Prod/Sales:
S/S Oil: Min:	Div:			Prod/Sales:
Other Percent:	Min:			Prod/Sales:

Paid to: ROY TO (C)	Paid by: ROY BY (C)
FREEHOLD PART	ENERPLUS
100.000000000	ARC RESOURCES
	CITY OF MED HAT
	SPYGLASS RES
	26.25000000
	23.75000000
	25.00000000
	25.00000000

ROYALTY DEDUCTIONS -

DEDUCTIONS: SAME AS ARE DEDUCTED FOR THE CROWN LESSOR ROYALTY. ROYALTY DETERMINATION POINT: AT THE WELLHEAD.

GENERAL REMARKS -

NON-CONVERTIBLE OVERRIDING OYALTIES OF 0.75% PAYABLE TO WILLOW CREEK SYNDICATE AND 0.5625% PAYABLE TO J.S. IRWIN ARE SOLELY THE RESPONSIBILITY OF FREEHOLD TRUST.

<Linked> Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
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Report Date: Sep 03, 2015
Page Number: 2883

-- REPORTED IN ACRES --

SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lse Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	DOI Partner(s)			

(cont'd)

C007120 D NONCONVERTIBLE ORR

M008458	A	Roy Percent: 2.50000000 Deduction: YES Gas: Royalty: S/S OIL: Min: Other Percent:	ALL PRODUCTS	N	N	85.00000000	% of
		Paid to: PAIDTO (R) FREEHOLD PART WINDRIPT 1372331 ALBERTA 1334540 ALBERTA 0815199 BC LTD	Max:	Min Pay: Div: Min:	ROY BY (C) ENERPLUS ARC RESOURCES CITY OF MED HAT SPYGLASS RES	Prod/Sales: Prod/Sales: Prod/Sales:	
		25.00000000 25.00000000 16.66660000 16.66670000 16.66670000				26.25000000 23.75000000 25.00000000 25.00000000	

✓
INCLUDES ORR OF
10% ON 100% production
paid to Freehold Part
by Spyglass as to 25%

ROYALTY DEDUCTIONS - Sep 04, 2012

ON PETROLEUM - TRUCKING/TRANSPORTATION COSTS; ON NATURAL GAS AND OTHER HYDROCARBONS.

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTYS ALL PRODUCTS	Y	N	100.00000000	% of PROD
Roy Percent:				
Deduction:	UNKNOWN			
Gas: Royalty:				
S/S OIL: Min:				
Other Percent:				
Paid to: LESSOR (M) ALBERTA DEPT.		100.00000000		
			WI (C)	
			SPYGLASS RES	25.00000000
			CDN NAT RESOURC	23.75000000

Report Date: Sep 03, 2015
Page Number: 2684

-- REPORTED IN ACRES--

SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Provinces: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	File Status	File Type	Lessors Type	Exposure	Oper. Cont.	ROFR	DOI Code
Mineral Int	Int Type / Lse No/Name	Operator / Payor	Net	DOI Partner(s)			

Lease Description / Rights Held

(cont'd)

M006458 A
ENERPLUS 26.25000000
CITY OF MED HAT 25.00000000

M006459 PNG CR Eff: May 22, 1973 320.000 C003223 A No RENTAL
Sub: A WI Exp: May 21, 1983 320.000 SPYGLASS RES 17.50000000
ACTIVE 31834 Ext: 15 80.000 CDN NAT RESOURC 16.62500000
ENERPLUS 18.37500000
100.00000000 PENGROWTH EN CITY OF MED HAT 17.50000000
PENGROWTH EN 30.00000000

Related Contracts

C002415 A P&S Mar 25, 2002 (I)
C003223 A JOA Feb 01, 1989
C003224 B MEMORANDUM Sep 04, 1974 (I)
C003225 A ROYALTY Apr 25, 1975 (I)
C006334 A TRUST Mar 24, 2010
C007120 D ROYALTY Nov 01, 2011
FA6134 A CO&O Dec 01, 1975
FA6135 A CO&O Nov 15, 1975
FA6135 B CO&O Nov 15, 1975
FA6135 C CO&O Nov 15, 1975
FA6135 D CO&O Nov 15, 1975
PS00530 A P&S Jun 29, 2010 (I)

Total Rental: 448.00

Status PRODUCING Acres 320.000 Net 80.000 NProd: 0.000
DEVELOPED Acres 320.000 Net 80.000 Undev: 0.000

Royalty / Encumbrances

<Linked> Royalty Type Product Type Siding Scale Convertible % of Prod/Sales
C007120 D NONCONVERTIBLE ORR ALL PRODUCTS N 85.00000000 % of

Roy Percent: 6.00000000

Deduction: YES

Gas: Royalty:

S/S OIL: Min:

Other Percent:

Paid to: ROY TO (C)

Paid by: ROY BY (C)

Well U.W.I. Status/Type
100/06-04-020-10-W4/00 FLOWING/GAS
100/08-04-020-10-W4/00 ABANDONED/GAS
100/14-04-020-10-W4/00 FLOWING/GAS
100/16-04-020-10-W4/00 FLOWING/GAS
100/12-04-020-10-W4/00 FLOWING/GAS
100/02-04-020-10-W4/00 FLOWING/GAS

Report Date: Sep 03, 2015
Page Number: 2685

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lease Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payer		Net	DOI Partner(s)			

(cont'd)

M006459	A	FREEHOLD PART	100.000000000	ENERPLUS	26.250000000	102/04-04-020-10-W4/00 FLOWING/GAS
				ARC RESOURCES	23.750000000	102/08-04-020-10-W4/00 FLOWING/GAS
				CITY OF MED HAT	25.000000000	
				SPYGLASS RES	25.000000000	

ROYALTY DEDUCTIONS -

DEDUCTIONS: SAME AS ARE DEDUCTED FOR THE CROWN LESSOR ROYALTY. ROYALTY DETERMINATION POINT: AT THE WELLHEAD.

GENERAL REMARKS -

NON-CONVERTIBLE OVERRIDING OYALITIES OF 0.75% PAYABLE TO WILLOW CREEK SYNDICATE AND 0.5625% PAYABLE TO J.S. IRWIN ARE SOLELY THE RESPONSIBILITY OF FREEHOLD TRUST.

<Linked> Royalty Type

C007120 D NONCONVERTIBLE ORR

Roy Percent: 2.50000000

Deduction: YES

Gas: Royalty:

S/S OIL: Min:

Other Percent:

Product Type ALL PRODUCTS
Sliding Scale N
Convertible N
% of Prod/Sales 85.00000000 % of

Min Pay:

Max:

Div:

Min:

Prod/Sales:

Prod/Sales:

Prod/Sales:

Paid to: PAIDTO (R)

FREEHOLD PART

WINDRIFT

1372331 ALBERTA

1334540 ALBERTA

0815199 BC LTD

25.00000000

25.00000000

16.96660000

16.86670000

16.66670000

Paid by: ROY BY (C)

ENERPLUS

ARC RESOURCES

CITY OF MED HAT

SPYGLASS RES

26.25000000

23.75000000

25.00000000

25.00000000

ROYALTY DEDUCTIONS - Sep 04, 2012

ON PETROLEUM - TRUCKING/TRANSPORTATION COSTS; ON NATURAL GAS AND OTHER HYDROCARBONS.

Report Date: Sep 03, 2015
Page Number: 2686

** REPORTED IN ACRES **

SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH

Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lease Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lease No/Name		Gross				
Mineral Int	Operator / Payor		Net	DOI Partner(s)			

(cont'd)

M008459

A

Royalty / Encumbrances

Royalty Type
CROWN SLIDING SCALE ROYALTY ALL PRODUCTS

Roy Percent: UNKNOWN

Deduction:

Gas: Royalty:

S/S Oil: Min:

Other Percent:

Paid to: LESSOR (M)

ALBERTA DEPT.

100.00000000

Max:

Min Pay:

Div:

Min:

Paid by: WI (C)

SPYGLASS RES

CON NAT RESOURC

ENERPLUS

CITY OF MED HAT

Prod/Sales:

Prod/Sales:

Prod/Sales:

WI

25.00000000

23.75000000

26.25000000

25.00000000

INCLUDES ORR OF
1% ON 100% prod.
paid to Freehold Part
by Spyglass at 25%

M008460	PNG	CR	Eff: May 22, 1973	160.000	C003223 A No	RENTAL	Area: PRINCESS
Sub: A	WI		Exp: May 21, 1983	160.000	SPYGLASS RES	17.50000000	TWP 20 RGE 10 W4M NE4
ACTIVE	31835		Ext: 15	40.000	CON NAT RESOURC	16.82500000	PNG TO BASE MEDICINE_HAT
	ENERPLUS				ENERPLUS	18.37500000	
100.00000000	PENGROWTH EN				CITY OF MED HAT	17.50000000	
					PENGROWTH EN	30.00000000	
					Total Rental: 224.00		
					Net		
					Acres		
					160.000		
					Prod:		
					Net		
					40.000		
					NProd:		
					0.000		
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					0.000		

Report Date: Sep 03, 2015
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-- REPORTED IN ACRES--

SPYGLASS RESOURCES CORP. Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Lee No/Name		Gross			
Mineral Int	Operator / Payor	Net	DOI Partner(s)			

(cont'd)

M006460

Sub: A

DEVELOPED Dev: 160,000 40,000 Undev: 0,000 0,000

Royalty / Encumbrances

<Linked> Royalty Type

C007120 D NONCONVERTIBLE ORR

Roy Percent: 6.00000000

Deduction: YES

Gas Royalty:

S/S OIL: Min:

Other Percent:

Product Type Sliding Scale Convertible % of Prod/Sales
ALL PRODUCTS N N 85.00000000 % of

Min Pay:

Div:

Min:

Paid to: ROY TO (C)

FREEHOLD PART

100.00000000

Paid by: ROY BY (C)

ENERPLUS

ARC RESOURCES

CITY OF MED HAT

SPYGLASS RES

26.25000000

23.75000000

25.00000000

25.00000000

Well U.W.L. Status/Type

100/06-04-020-10-W4/00 FLOWING/GAS

100/08-04-020-10-W4/00 ABANDONED/GAS

100/14-04-020-10-W4/00 FLOWING/GAS

100/16-04-020-10-W4/00 FLOWING/GAS

100/12-04-020-10-W4/00 FLOWING/GAS

100/02-04-020-10-W4/00 FLOWING/GAS

102/04-04-020-10-W4/00 FLOWING/GAS

102/08-04-020-10-W4/00 FLOWING/GAS

FA6134 A CO&O Dec 01, 1975

FA6135 A CO&O Nov 15, 1975

FA6135 B CO&O Nov 15, 1975

FA6135 C CO&O Nov 15, 1975

FA6135 D CO&O Nov 15, 1975

PS00530 A P&S Jun 29, 2010 (I)

ROYALTY DEDUCTIONS -

DEDUCTIONS: SAME AS ARE DEDUCTED FOR THE CROWN LESSOR ROYALTY. ROYALTY DETERMINATION POINT: AT THE WELLHEAD.

GENERAL REMARKS -

NON-CONVERTIBLE OVERRIDING OYALTIES OF 0.75% PAYABLE TO WILLOW CREEK SYNDICATE AND 0.5625% PAYABLE TO J.S. IRWIN ARE SOLELY THE RESPONSIBILITY OF FREEHOLD TRUST.

<Linked> Royalty Type

C007120 D NONCONVERTIBLE ORR

Roy Percent: 2.50000000

Product Type Sliding Scale Convertible % of Prod/Sales
ALL PRODUCTS N N 85.00000000 % of

CS*EXPLORER Version: 9.10.04

Division: SOUTH

SAB WORKING INTEREST PROPERTY REPORT

(cont'd)

M006476	PNG	CR	Eff:	160,000	C003226	A	No	WI	Area : PRINCESS
Sub: A	WI		Exp: Oct 27, 1970	160,000	SPYGLASS RES			20,000,000,000	TWP 20 RGE 10 W4M NW4
ACTIVE	23207		Ext: 15	32,000	ENERPLUS			21,000,000,000	PNG TO BASE MEDICINE_HAT (NEW)
100,000,000,000	ENERPLUS				CITY OF MED HAT			20,000,000,000	
	ENERPLUS				CDN NAT RESOURC			20,000,000,000	

Royalty / Encumbrances

CS-EXPLORER Version: 9.10.04

Report Date: Sep 03, 2015
Page Number: 2690

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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lse Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code
File Status	Int Type / Lse No/Name		Gross			
Mineral Int	Operator / Payor	Net	DOI Partner(s)			

Lease Description / Rights Held

(cont'd)

M008476 A CDN NAT RESOURC 39.000000000

M008475 PNG CR Eff: Jul 06, 1978 Exp: Jul 05, 1983 Ext: 15
Sub: A WI 320.000 C003223 G No WI
ACTIVE 0478070006 320.000 SPYGLASS RES 25.000000000
100.000000000 ENERPLUS 80.000 CDN NAT RESOURC 23.750000000
ENERPLUS 26.250000000
CITY OF MED HAT 25.000000000

Total Rental: 448.00

Status	Acres	Net	Acres	Net
PRODUCING	320.000	80.000	0.000	0.000
DEVELOPED	320.000	80.000	0.000	0.000

----- Related Contracts -----

C002415 A P&S Mar 25, 2002 (I)
C003223 G JOA Feb 01, 1989
PS00530 A P&S Jun 28, 2010 (I)
C003223 E JOA Feb 01, 1989

----- Well U.W.I. -----

100/08-10-020-10-W4/00 FLOWING/GAS
100/16-10-020-10-W4/00 ABANDONED/GAS
100/02-10-020-10-W4/00 FLOWING/GAS
100/10-10-020-10-W4/00 FLOWING/GAS

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C003223 E GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	100.000000000	% of PROD

Roy Percent: 10.000000000

Deduction: UNKNOWN

Gas: Royalty:

S/S Oil: Min:

Other Percent:

Paid to: PAIDTO (R)

WINDRIFT

0815199 BC LTD

1372331 ALBERTA

Max:

Min Pay:

Div:

Min:

Paid by: PAIDBY (R)

SPYGLASS RES

ARC RESOURCES

ENERPLUS

Prod/Sales:

Prod/Sales:

Prod/Sales:

25.000000000

23.750000000

26.250000000

Report Date: Sep 03, 2015
Page Number: 2691
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SPYGLASS RESOURCES CORP.
Mineral Property Report

Division: SOUTH
Province: ALBERTA

SAB WORKING INTEREST PROPERTY REPORT

File Number	Lee Type	Lessor Type	Exposure	Oper. Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payer		Net	DOI Partner(s)			

(cont'd)

M006475	A	1334540 ALBERTA	16.66665000	CITY OF MED HAT	25.00000000		
Royalty Type							
CROWN SLIDING SCALE ROYALTY ALL PRODUCTS							
Roy Percent:		Product Type		Sliding Scale	Convertible	% of Prod/Sales	
				N	N	100.00000000 % of PROD	
Deduction:		UNKNOWN					
Gas: Royalty:							
S/S OIL: Min:							
Other Percent:							
		Max:		Min Pay:	Prod/Sales:		
				Div:	Prod/Sales:		
				Min:	Prod/Sales:		
Paid to: LESSOR (M)		100.00000000		Paid by: WI	(C)		
ALBERTA DEPT.				SPYGLASS RES	25.00000000		
				CDN NAT RESOURC	23.75000000		
				ENERPLUS	26.25000000		
				CITY OF MED HAT	25.00000000		

M006399	PNG	CR	Eff: Jul 11, 2002	160.000	SPYGLASS RES	WI	Area: ATLEE
Sub: A	WI		Exp: Jul 10, 2007	160.000			TWP 21 RGE 7 W4M NE28
ACTIVE	0402070057	Ext: 15		160.000			PNG FROM BASE MEDICINE_HAT TO
100.00000000	SPYGLASS RES						BASE MANNVILLE
Total Rental: 224.00							
Status		Acres	Net	Acres	Net	Related Contracts	
NON PRODUCING Prod:		0.000	0.000	160.000	160.000	PS00530 A P&S Jun 29, 2010 (I)	
UNDEVELOPED Dev:		0.000	0.000	160.000	160.000		

Royalty / Encumbrances

THE FOLLOWING COMPRISES SCHEDULE "B" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 24th DAY OF February, 2016 BETWEEN ERNST & YOUNG INC., solely in its capacity as receiver of SPYGLASS RESOURCES CORP., and not in its personal capacity, as Vendor, and CANADIAN NATURAL RESOURCES, as Purchaser

Wells

The wells identified on the following six (6) pages attached hereto and incorporated herein, under the heading "Schedule "B" – Wells"

Pipelines

All pipelines, including flow lines and gathering lines, directly related to the Wells and Facilities, together with all tangible depreciable property and equipment appurtenant to or associated therewith.

Facilities

PI = Overall Participation Interest
FUPI = Functional Unit Participation Interest

FACILITY DESCRIPTION & LOCATION (Files)	GOVERNING AGREEMENT	VENDOR's INTEREST
Princess Gas Plant at 14-23-19-10 W4M (FA6134)	Agreement for the Construction, Ownership and Operation of the Princess 14-23-19-10 W4M Gas Plant No. 1 dated December 1, 1975	15.0282% PI
South Princess Gathering System (FA6135)	Agreement for the Construction, Ownership and Operation of the South Princess Gathering System dated November 15, 1975 Functional Units: • West Lateral • North Lateral • South Lateral • Main East Lateral	14.80% FUPI 11.02% FUPI 15.00% FUPI 00.25% FUPI
Princess Gathering System (FA6263)	Agreement for the Construction, Ownership and Operation of the Princess Gathering System dated February 15, 1977	75.51% PI

Service Agreements

FILES	SERVICE CONTRACT	CONTRACTOR/PROCESSOR	OWNER/PRODUCER
SA2103;	Princess Well Operating Agreement dated January 1, 1999	Canadian Natural Resources	Spyglass Resources Corp.
SA2104;	Princess Processing Agreement at 8-21-19-10 W4M dated September 1, 2000	Canadian Natural Resources	Spyglass Resources Corp.

SCHEDULE "B" - WELLS

WELL NAME	FORMATTED UWI	CWS STATUS	PRIMARY PRODUCT	CURRENT WORKING INTEREST	LICENSEE	I.H.S. LICENSE NUM
CNRES ANDERSON PRIN 2-4-19-10	00/02-04-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255933
CNRES ANDERSON PRIN 5-4-19-10	00/05-04-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255022
PACE OIL PRIN 6-4-19-10	00/06-04-019-10W4/0	PRODUCING	FLOWING GAS	49.50	SPYGLASS RES	0060467
PACE OIL PRIN 6-4-19-10	00/06-04-019-10W4/2	PRODUCING	COMMINGLED	49.50	SPYGLASS RES	0060467
PACE OIL PRIN 8-4-19-10	00/08-04-019-10W4/0	PRODUCING	FLOWING GAS	49.50	SPYGLASS RES	0060466
CNRES ANDERSON PRIN 9-4-19-10	00/09-04-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255787
CNRES ANDERSON PRIN 12-4-19-10	00/12-04-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255029
PACE OIL PRIN 14-4-19-10	00/14-04-019-10W4/0	PRODUCING	FLOWING GAS	49.50	SPYGLASS RES	0115272
PACE OIL PRIN 14-4-19-10	00/14-04-019-10W4/2	PRODUCING	COMMINGLED	49.50	SPYGLASS RES	0115272
PACE OIL PRIN 16-4-19-10	00/16-04-019-10W4/0	PRODUCING	FLOWING GAS	49.50	SPYGLASS RES	0060465
CNRES ANDERSON PRIN 1-5-19-10	00/01-05-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255051
CNRES ANDERSON PRIN 5-5-19-10	00/05-05-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255622
PACE OIL PRIN 6-5-19-10	00/06-05-019-10W4/0	PRODUCING	FLOWING GAS	49.50	SPYGLASS RES	0060464
PACE OIL PRIN 6-5-19-10	00/06-05-019-10W4/2	PRODUCING	COMMINGLED	49.50	SPYGLASS RES	0060464
PACE OIL PRIN 8-5-19-10	00/08-05-019-10W4/0	PRODUCING	FLOWING GAS	49.50	SPYGLASS RES	0060468
CNRES ANDERSON PRIN 13-5-19-10	00/13-05-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255629
PACE OIL PRIN 14-5-19-10	00/14-05-019-10W4/0	PRODUCING	FLOWING GAS	49.50	SPYGLASS RES	0115271
PACE OIL PRIN 14-5-19-10	00/14-05-019-10W4/2	PRODUCING	COMMINGLED	49.50	SPYGLASS RES	0115271
CNRES ANDERSON PRIN 15-5-19-10	00/15-05-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255028
PACE OIL PRIN 16-5-19-10	00/16-05-019-10W4/0	PRODUCING	FLOWING GAS	49.50	SPYGLASS RES	0060469
PACE OIL PRIN 16-5-19-10	00/16-05-019-10W4/2	PRODUCING	COMMINGLED	49.50	SPYGLASS RES	0060469
PACE OIL PRIN 1-6-19-10	00/01-06-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0256926
PACE OIL PRIN 6-6-19-10	00/06-06-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0060167
PACE OIL PRIN 6-6-19-10	00/06-06-019-10W4/2	PRODUCING	COMMINGLED	99.00	SPYGLASS RES	0060167
PACE OIL PRIN 8-6-19-10	00/08-06-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0060282
PACE OIL PRIN 9-6-19-10	00/09-06-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0257118
PACE OIL PRIN 14-6-19-10	00/14-06-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0115263
PACE OIL PRIN 14-6-19-10	00/14-06-019-10W4/2	PRODUCING	COMMINGLED	99.00	SPYGLASS RES	0115263
PACE OIL PRIN 16-6-19-10	00/16-06-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0060342
PACE OIL PRIN 6-7-19-10	00/06-07-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0060343
PACE OIL PRIN 6-7-19-10	00/06-07-019-10W4/2	PRODUCING	COMMINGLED	99.00	SPYGLASS RES	0060343
PACE OIL PRIN 8-7-19-10	00/08-07-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0060371
PACE OIL PRIN 10-7-19-10	00/10-07-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0256832
PACE OIL PRIN 12-7-19-10	00/12-07-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0256831
PACE OIL PRIN 14-7-19-10	00/14-07-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0115273
PACE OIL PRIN 14-7-19-10	00/14-07-019-10W4/2	PRODUCING	COMMINGLED	99.00	SPYGLASS RES	0115273
PACE OIL PRIN 16-7-19-10	00/16-07-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0060372
ENERPLUS ET AL PRIN 2-14-19-10	00/02-14-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0336240
NORCENINT ET AL PRINCESS 8-14-19-10	00/08-14-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0118830
ENERPLUS ET AL PRIN 10-14-19-10	02/10-14-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0338458
CHRL ET AL PRINCESS 16-14-19-10	00/16-14-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053977
CNRES ANDERSON PRIN 2-17-19-10	00/02-17-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0256230
CNRES ANDERSON PRIN 5-17-19-10	00/05-17-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255021
CNRL ANDERSON PRIN 6-17-19-10	00/06-17-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0059769
CNRL ANDERSON PRIN 6-17-19-10	00/06-17-019-10W4/2	PRODUCING	COMMINGLED	49.50	CNRL	0059769
CNRL PRINCESS 8-17-19-10	00/08-17-019-10W4/0	ABANDONED	ABANDONED GAS	49.50	CNRL	0055025
CNRES ANDERSON PRIN 10-17-19-10	00/10-17-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255027
CNRES ANDERSON PRIN 12-17-19-10	00/12-17-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0256229
CNRL ANDERSON PRIN 14-17-19-10	00/14-17-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0205479
CNRL PRINCESS 16-17-19-10	00/16-17-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0055030
PACE OIL PRIN 1-18-19-10	00/01-18-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0256892
PACE OIL PRIN 4-18-19-10	00/04-18-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0256825
PACE OIL PRIN 6-18-19-10	00/06-18-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0060344
PACE OIL PRIN 6-18-19-10	00/06-18-019-10W4/2	PRODUCING	COMMINGLED	99.00	SPYGLASS RES	0060344
PCP ET AL PRINCESS 6-18-19-10	02/06-18-019-10W4/0	ABANDONED	ABANDONED GAS	99.00	CNRL	0114179
PACE OIL PRIN 8-18-19-10	00/08-18-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0060299
PACE OIL PRIN 13-18-19-10	00/13-18-019-10W4/0	SUSPENDED	SUSPENDED GAS	99.00	SPYGLASS RES	0257189
PACE OIL PRIN 16-18-19-10	00/16-18-019-10W4/0	SUSPENDED	SUSPENDED GAS	99.00	SPYGLASS RES	0060373
PACE OIL PRIN 16-18-19-10	02/16-18-019-10W4/0	PRODUCING	FLOWING GAS	99.00	SPYGLASS RES	0256833
CNRES ANDERSON PRIN 1-19-19-10	00/01-19-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255462
CNRES ANDERSON PRIN 4-19-19-10	00/04-19-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0254761
CNRL ANDERSON PRIN 6-19-19-10	00/06-19-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0059838
CNRL ANDERSON PRIN 6-19-19-10	00/06-19-019-10W4/2	PRODUCING	COMMINGLED	49.50	CNRL	0059838

CNRL PRINCESS 8-19-19-10	00/08-19-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0055033
CNRES ANDERSON PRIN 10-19-19-10	00/10-19-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255070
CNRES ANDERSON PRIN 12-19-19-10	00/12-19-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255049
CNRL ANDERSON PRIN 14-19-19-10	00/14-19-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0205467
CNRL PRINCESS 16-19-19-10	00/16-19-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0055062
CNRES ANDERSON PRIN 4-20-19-10	00/04-20-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0254759
CNRL ANDERSON PRIN 6-20-19-10	00/06-20-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0059625
CNRL ANDERSON PRIN 6-20-19-10	00/06-20-019-10W4/2	PRODUCING	COMMINGLED	49.50	CNRL	0059625
CNRES ANDERSON PRIN 7-20-19-10	00/07-20-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0254760
CNRL ANDERSON PRINCESS 8-20-19-10	00/08-20-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0205478
CNRES ANDERSON 102 PRIN 10-20-19-10	02/10-20-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0254957
CNRL PRINCESS 11-20-19-10	00/11-20-019-10W4/0	ABANDONED	ABANDONED GAS	49.50	CNRL	0049976
CNRL PRINCESS 11-20-19-10	00/11-20-019-10W4/2	ABANDONED	ABANDONED GAS	49.50	CNRL	0049976
CNRES ANDERSON PRIN 14-20-19-10	00/14-20-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255044
CNRL ANDERSON PRIN 16-20-19-10	00/16-20-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0059768
ENERPLUS ET AL PRIN 2-21-19-10	00/02-21-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0341660
CHRL ET AL PRINCESS 6-21-19-10	00/06-21-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053425
CHRL ET AL PRINCESS 6-21-19-10	00/06-21-019-10W4/2	PRODUCING	COMMINGLED	25.00	ENERPLUS	0053425
ENERPLUS ET AL PRIN 6-21-19-10	02/06-21-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333491
NORCENINT ET AL PRINCESS 8-21-19-10	00/08-21-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0118972
ERC ET AL PRIN 9-21-19-10	00/09-21-019-10W4/0	SUSPENDED		0.00	ENERPLUS	0421057
ENERPLUS ET AL PRINCESS 10-21-19-10	02/10-21-019-10W4/0	SUSPENDED	SUSPENDED GAS	25.00	ENERPLUS	0039932
ENERPLUS ET AL DD PRIN 12-21-19-10	00/12-21-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0338469
NORCENINT ET AL PRINCESS 14-21-19-10	00/14-21-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0119756
ERC ET AL PRIN 15-21-19-10	00/15-21-019-10W4/0	SUSPENDED		0.00	ENERPLUS	0421613
NORCENINT ET AL PRINCESS 16-21-19-10	00/16-21-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0118973
NORCENINT ET AL PRINCESS 16-21-19-10	00/16-21-019-10W4/2	PRODUCING	COMMINGLED	25.00	ENERPLUS	0118973
ENERPLUS ET AL PRIN 2-22-19-10	00/02-22-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333043
ERC 102 ET AL PRIN 3-22-19-10	02/03-22-019-10W4/0	SUSPENDED		0.00	ENERPLUS	0423824
ENERPLUS ET AL PRIN 4-22-19-10	00/04-22-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0332943
ERC 102 ET AL PRIN 5-22-19-10	02/05-22-019-10W4/0	SUSPENDED		0.00	ENERPLUS	0423882
CHRL ET AL PRINCESS 6-22-19-10	00/06-22-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053288
NORCENINT ET AL PRINCESS 8-22-19-10	00/08-22-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0118833
ENERPLUS ET AL PRIN 10-22-19-10	00/10-22-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333189
ERC 102 ET AL PRIN 11-22-19-10	02/11-22-019-10W4/0	SUSPENDED		0.00	ENERPLUS	0423655
ENERPLUS ET AL PRIN 12-22-19-10	00/12-22-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333887
ERC 102 ET AL PRIN 13-22-19-10	02/13-22-019-10W4/0	SUSPENDED		0.00	ENERPLUS	0423713
CHRL ET AL PRINCESS 14-22-19-10	00/14-22-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053970
ERC 103 ET AL PRIN 15-22-19-10	03/15-22-019-10W4/0	SUSPENDED		0.00	ENERPLUS	0423614
NORCENINT ET AL PRINCESS 16-22-19-10	00/16-22-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0118836
ENERPLUS ET AL PRIN 2-23-19-10	00/02-23-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0343433
ENERPLUS ET AL PRIN 4-23-19-10	00/04-23-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0332944
CHRL ET AL PRINCESS 6-23-19-10	00/06-23-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053290
NORCENINT ET AL PRINCESS 8-23-19-10	00/08-23-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0118839
ENERPLUS ET AL PRIN 10-23-19-10	00/10-23-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0332942
ENERPLUS ET AL PRIN 12-23-19-10	00/12-23-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333325
CHRL ET AL PRINCESS 14-23-19-10	00/14-23-019-10W4/0	PRODUCING	FLOWING GAS	15.03	ENERPLUS	0053978
NORCENINT ET AL PRINCESS 16-23-19-10	00/16-23-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0119380
ENERPLUS ET AL PRIN 2-27-19-10	00/02-27-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333560
NORCENINT ET AL PRINCESS 6-27-19-10	02/06-27-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0118831
ENERPLUS ET AL 103 PRIN 6-27-19-10	03/06-27-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333042
CHRL ET AL PRINCESS 8-27-19-10	00/08-27-019-10W4/0	PRODUCING	COMMINGLED	25.00	ENERPLUS	0053912
CHRL ET AL PRINCESS 8-27-19-10	00/08-27-019-10W4/2	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053912
ENERPLUS ET AL PRIN 10-27-19-10	00/10-27-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0334496
ENERPLUS ET AL PRIN 11-27-19-10	00/11-27-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0038728
ENERPLUS ET AL PRIN 14-27-19-10	00/14-27-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0339225
CHRL ET AL PRINCESS 16-27-19-10	00/16-27-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0060398
ENERPLUS ET AL PRIN 2-28-19-10	00/02-28-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0339776
ENERPLUS ET AL DD PRIN 4-28-19-10	00/04-28-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0338461
CHRL ET AL PRINCESS 6-28-19-10	00/06-28-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053287
NORCENINT ET AL PRINCESS 8-28-19-10	00/08-28-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0119737
ENERPLUS ET AL 102 PRIN 10-28-19-10	02/10-28-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0343467
ENERPLUS ET AL DD PRIN 12-28-19-10	00/12-28-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0340119
CHRL ET AL PRINCESS 14-28-19-10	00/14-28-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0060399
CHRL ET AL PRINCESS 16-28-19-10	00/16-28-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0066549
CNRES ANDERSON PRIN 4-29-19-10	00/04-29-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255643
CNRL ANDERSON PRIN 6-29-19-10	00/06-29-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0059624
CNRL ANDERSON PRIN 6-29-19-10	00/06-29-019-10W4/2	PRODUCING	COMMINGLED	49.50	CNRL	0059624
CNRES ANDERSON PRIN 7-29-19-10	00/07-29-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255024
CNRL ANDERSON PRINCESS 8-29-19-10	00/08-29-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0205495

CNRES ANDERSON 102 PRIN 10-29-19-10	02/10-29-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255025
CNRES ANDERSON PRIN 12-29-19-10	00/12-29-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255020
CNRL PRINCESS 14-29-19-10	00/14-29-019-10W4/0	ABANDONED	ABANDONED GAS	49.50	CNRL	0055040
CNRL ANDERSON PRIN 16-29-19-10	00/16-29-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0059839
CNRES ANDERSON PRIN 2-30-19-10	00/02-30-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0256228
CNRES ANDERSON PRIN 4-30-19-10	00/04-30-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255050
CNRL ANDERSON PRIN 6-30-19-10	00/06-30-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0059837
CNRL ANDERSON PRIN 6-30-19-10	00/06-30-019-10W4/2	PRODUCING	COMMINGLED	49.50	CNRL	0059837
CNRL PRINCESS 8-30-19-10	00/08-30-019-10W4/0	ABANDONED	ABANDONED GAS	49.50	CNRL	0055038
CNRL PRINCESS 8-30-19-10	00/08-30-019-10W4/2	PRODUCING	COMMINGLED AB	49.50	CNRL	0055038
CNRES ANDERSON PRIN 12-30-19-10	00/12-30-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255030
CNRL ANDERSON PRIN 14-30-19-10	00/14-30-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0205484
CNRES ANDERSON PRIN 15-30-19-10	00/15-30-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255045
CNRL PRINCESS 16-30-19-10	00/16-30-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0055039
CNRES ANDERSON PRIN 5-31-19-10	00/05-31-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255048
CNRL ANDERSON PRIN 6-31-19-10	00/06-31-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0059836
CNRL ANDERSON PRIN 6-31-19-10	00/06-31-019-10W4/2	PRODUCING	COMMINGLED	49.50	CNRL	0059836
CNRL PRINCESS 7-31-19-10	00/07-31-019-10W4/0	ABANDONED	ABANDONED GAS	49.50	CNRL	0049899
CNRES ANDERSON PRIN 8-31-19-10	00/08-31-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255012
CNRES ANDERSON PRIN 13-31-19-10	00/13-31-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255046
CNRL ANDERSON PRIN 14-31-19-10	00/14-31-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0205492
CNRES ANDERSON PRIN 15-31-19-10	00/15-31-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0255068
CNRL PRINCESS 16-31-19-10	00/16-31-019-10W4/0	PRODUCING	FLOWING GAS	49.50	CNRL	0055041
ENERPLUS ET AL PRIN 4-32-19-10	00/04-32-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0332951
CHRL ET AL PRINCESS 6-32-19-10	00/06-32-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053289
ENERPLUS ET AL DD PRIN 7-32-19-10	00/07-32-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0339806
NORCENINT ET AL PRINCESS 8-32-19-10	00/08-32-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0118837
ERC 103 ET AL PRIN 10-32-19-10	03/10-32-019-10W4/0	SUSPENDED		0.00	ENERPLUS	0423707
ENERPLUS ET AL PRIN 12-32-19-10	00/12-32-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0332950
ERC 102 ET AL PRIN 13-32-19-10	02/13-32-019-10W4/0	SUSPENDED		0.00	ENERPLUS	0423668
CHRL ET AL PRINCESS 14-32-19-10	00/14-32-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053823
NORCENINT ET AL PRINCESS 16-32-19-10	00/16-32-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0118838
ENERPLUS ET AL 103 PRIN 16-32-19-10	03/16-32-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0335528
ENERPLUS ET AL PRIN 2-33-19-10	00/02-33-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0332915
ERC ET AL DD PRIN 3-33-19-10	00/03-33-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0347609
CHRL ET AL PRINCESS 6-33-19-10	03/06-33-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053895
CHRL ET AL PRINCESS 8-33-19-10	00/08-33-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0066531
ENERPLUS ET AL PRIN 10-33-19-10	00/10-33-019-10W4/0	PRODUCING	FLOWING GAS	21.25	ENERPLUS	0338016
ENERPLUS PRIN 11-33-19-10	00/11-33-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0346527
CHRL ET AL PRINCESS 14-33-19-10	00/14-33-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053894
ENERPLUS ET AL 102 PRIN 2-34-19-10	02/02-34-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333324
ENERPLUS ET AL PRIN 4-34-19-10	00/04-34-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333888
CHRL ET AL PRINCESS 6-34-19-10	02/06-34-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0060450
NORCENINT ET AL PRINCESS 8-34-19-10	00/08-34-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0119381
ENERPLUS ET AL PRIN 10-34-19-10	00/10-34-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0335516
ERC 102 ET AL PRIN 11-34-19-10	02/11-34-019-10W4/0	SUSPENDED		0.00	ENERPLUS	0423898
ENERPLUS ET AL PRIN 12-34-19-10	00/12-34-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333554
CHRL ET AL PRINCESS 13-34-19-10	00/13-34-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0060261
ENERPLUS ET AL PRINCESS 14-34-19-10	02/14-34-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0242554
NORCENINT ET AL PRINCESS 16-34-19-10	00/16-34-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0118873
ENERPLUS ET AL DD PRIN 4-35-19-10	00/04-35-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0339674
CHRL ET AL PRINCESS 6-35-19-10	02/06-35-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053286
NORCENINT ET AL PRINCESS 8-35-19-10	00/08-35-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0118834
ENERPLUS ET AL 102 PRIN 8-35-19-10	02/08-35-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0332941
ENERPLUS ET AL PRIN 12-35-19-10	00/12-35-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333550
CHRL ET AL PRINCESS 14-35-19-10	00/14-35-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0053822
NORCENINT ET AL PRINCESS 16-35-19-10	00/16-35-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0118835
ENERPLUS ET AL 103 PRIN 16-35-19-10	03/16-35-019-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333821
ENERPLUS ET AL PRIN 4-2-20-10	00/04-02-020-10W4/0	PRODUCING	FLOWING GAS	21.25	ENERPLUS	0334493
ENERPLUS ET AL 102 PRINCESS 6-2-20-10	02/06-02-020-10W4/0	PRODUCING	FLOWING GAS	21.25	ENERPLUS	0242456
ENERPLUS ET AL PRINCESS 14-2-20-10	00/14-02-020-10W4/0	PRODUCING	FLOWING GAS	21.25	ENERPLUS	0242472
ENERPLUS ET AL PRIN 4-3-20-10	00/04-03-020-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0334458
CHRL ET AL PRINCESS 6-3-20-10	02/06-03-020-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0060449
ENERPLUS ET AL PRIN 12-3-20-10	00/12-03-020-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0333829
CHRL ET AL PRINCESS 14-3-20-10	00/14-03-020-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0066339
ENERPLUS ET AL PRIN 2-4-20-10	00/02-04-020-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0334459
ENERPLUS ET AL 102 PRIN 4-4-20-10	02/04-04-020-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0335530
CHRL ET AL PRINCESS 6-4-20-10	00/06-04-020-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0066550
CHRL ET AL PRINCESS 8-4-20-10	00/08-04-020-10W4/0	ABANDONED	ABANDONED GAS	25.00	ENERPLUS	0066464
ENERPLUS ET AL 102 PRIN 8-4-20-10	02/08-04-020-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0334495

ENERPLUS ET AL PRIN 12-4-20-10	00/12-04-020-10W4/0	PRODUCING	FLOWING GAS	20.00	ENERPLUS	0335526
CHRL ET AL PRINCESS 14-4-20-10	00/14-04-020-10W4/0	PRODUCING	FLOWING GAS	20.00	ENERPLUS	0061867
CHRL ET AL PRINCESS 16-4-20-10	00/16-04-020-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0066345
ENERPLUS ET AL DD PRIN 2-10-20-10	00/02-10-020-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0337718
CHRL PRINCESS 8-10-20-10	00/08-10-020-10W4/0	ABANDONED	ABANDONED GAS	25.00	ENERPLUS	0072297
ENERPLUS ET AL PRIN 10-10-20-10	00/10-10-020-10W4/0	PRODUCING	FLOWING GAS	25.00	ENERPLUS	0338004
CHRL PRINCESS 16-10-20-10	00/16-10-020-10W4/0	ABANDONED	ABANDONED GAS	25.00	ENERPLUS	0072298

THE FOLLOWING COMPRISES SCHEDULE "C" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 24th DAY OF February, 2016 BETWEEN ERNST & YOUNG INC., solely in its capacity as receiver of SPYGLASS RESOURCES CORP., and not in its personal or corporate capacity, as Vendor, and CANADIAN NATURAL RESOURCES, as Purchaser

THIS GENERAL CONVEYANCE made as of this _____ day of _____, 2016.

BETWEEN:

ERNST & YOUNG INC., in its capacity as the receiver of **SPYGLASS RESOURCES CORP.**, and not in its personal or corporate capacity (hereinafter referred to as "**Vendor**")

- and -

CANADIAN NATURAL RESOURCES, a general partnership (hereinafter referred to as "**Purchaser**")

WHEREAS pursuant to an order of the Honourable Mr. Justice G.C. Hawco of the Alberta Court of Queen's Bench dated November 26, 2015, Ernst & Young Inc. was appointed receiver of Spyglass Resources Corp.;

AND WHEREAS Vendor wishes to sell, and Purchaser wishes to purchase, certain Assets of Spyglass Resources Corp., subject to and in accordance with the terms and conditions contained in the Purchase Agreement;

NOW THEREFORE for the consideration provided in the Purchase Agreement and in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the Parties covenant and agree as follows:

1. Definitions

In this General Conveyance, including the recitals hereto, the definitions set forth in the Purchase Agreement are adopted by reference and, in addition:

"**Purchase Agreement**" means that Purchase and Sale Agreement dated February 24, 2016 between Ernst & Young Inc., solely in its capacity as receiver of Spyglass Resources Inc., and not in its personal or corporate capacity, as Vendor, and Canadian Natural Resources, as Purchaser.

2. Conveyance

Pursuant to and for the consideration provided for in the Purchase Agreement, Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser the entire right, title, estate and interest in and to the Assets, to have and to hold the same absolutely, together with all benefit and advantage to be derived therefrom.

3. Subordinate Document

This General Conveyance is executed and delivered by the Parties pursuant to the Purchase Agreement and the provisions of the Purchase Agreement shall prevail in the event of a conflict between the provisions of the Purchase Agreement and the provisions of this General Conveyance.

4. No Merger

The covenants, representations, warranties and indemnities contained in the Purchase Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall be no merger of any covenant, representation, warranty or indemnity contained in the Purchase Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

5. Governing Law

This General Conveyance shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

6. Enurement

This General Conveyance shall be binding upon and shall enure to the benefit of each of the Parties, Spyglass Resources Corp., and all of their respective administrators, trustees, receivers, successors and assigns.

7. Further Assurances

Each Party will, from time to time and at all times hereafter, at the request of the other Party but without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms hereof.

8. Counterpart Execution

This Agreement may be executed in counterpart and by facsimile or other electronic means and all such executed counterparts together shall constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this General Conveyance on the date first above written.

ERNST & YOUNG INC., solely in its capacity
as the receiver of **SPYGLASS RESOURCES**
CORP., and not in its personal or corporate
capacity

CANADIAN NATURAL RESOURCES,
a general partnership, by its Managing Partner,
Canadian Natural Resources Limited

Per: _____

Name: _____
Title: _____

Per: _____

Name: Betty Yee
Title: Vice President, Land

THE FOLLOWING COMPRISES SCHEDULE "D" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 24th DAY OF February, 2016 BETWEEN ERNST & YOUNG INC., solely in its capacity as receiver of SPYGLASS RESOURCES CORP., and not in its personal capacity, as Vendor, and CANADIAN NATURAL RESOURCES, as Purchaser

[VENDOR'S][PURCHASER'S] OFFICER'S CERTIFICATE

TO: [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

RE: Purchase and Sale Agreement dated [•] between Vendor and Purchaser (the "Agreement")

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the "Certificate").

I, [Name], [Position] of [Name of Vendor/Purchaser] (the "Vendor")) [(the "Purchaser")] hereby certify that as of the date of this Certificate:

1. Each of the covenants, representations and warranties of the [Vendor][Purchaser] contained in ARTICLE 4 of the Agreement were true and correct in all material respects when made and remain true and correct in all material respects up to the Closing Time.
2. All obligations of [Vendor][Purchaser] contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.
3. This Certificate is made for and on behalf of the [Vendor][Purchaser] and is binding upon [Vendor][Purchaser], and I am not incurring, and will not incur, any personal liability whatsoever with respect to it.
4. As of the Closing Date, no stay or appeal or application to vary either the Appointment Order or Vesting and Approval Order has been served on the Vendor.
5. This Certificate is made with full knowledge that the Purchaser [Vendor] is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate this ____ day of _____, 2016.

[Name of Vendor/Purchaser]

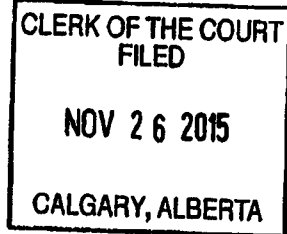
Per: _____
Name:
Title:

THE FOLLOWING COMPRISES SCHEDULE "E" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 24th DAY OF February, 2016 BETWEEN ERNST & YOUNG INC., solely in its capacity as receiver of SPYGLASS RESOURCES CORP., and not in its personal or corporate capacity, as Vendor, and CANADIAN NATURAL RESOURCES, as Purchaser

Appointment Order

The pages attached comprise Schedule "E"

SCHEDULE "E"



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

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 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:

RECEIVERSHIP ORDER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

BLAKE, CASSELS & GRAYDON LLP
3500, 855-2nd Street SW
Calgary, AB T2P 4J8
Solicitor: Kelly Bourassa / Ryan Zahara
Telephone: (403) 260-9697 / (403) 260-9628
Facsimile: (403) 260-9700
Email: kelly.bourassa@blakes.com
ryan.zahara@blakes.com
File Number: 65306/37

Order
26 Nov 15

DATE ON WHICH ORDER WAS PRONOUNCED: November 26, 2015
NAME OF JUDGE WHO MADE THIS ORDER: Justice G.C.Hawco
LOCATION OF HEARING: Calgary Courts Centre

UPON the application of National Bank of Canada, in its capacity as Administrative Agent (the "**Agent**") for and on behalf of a group of lenders (the "**Lenders**"), in respect 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, and together with the Borrower, the "**Debtors**" and each individually a "**Debtor**"); **AND UPON** having read the Application, the Affidavit of William Kennedy sworn on November 26, 2015, filed; and the Affidavit of Service of Emily Primrose sworn on November 26, 2015; **AND UPON** reading the consent of Ernst & Young Inc. to act as receiver ("**Receiver**") of the Debtors, filed; **AND UPON** hearing counsel for the Agent, the Debtors and counsel to other interested parties in attendance; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**") and sections 13(2) of the *Judicature Act*, RSA 2000, c J-2, Ernst & Young Inc. is hereby appointed Receiver, without security, of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property and the Receiver shall be entitled to disclaim, abandon or renounce the Debtors' interest in any of the Property, contracts or agreements of the Debtors;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part other business, or cease to perform any contracts of the Debtors;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
 - (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
 - (g) to settle, extend or compromise any indebtedness owing to or by the Debtors;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court.
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$1,000,000, provided that the aggregate consideration for all such transactions does not exceed \$5,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c P-7 shall not be required.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (s) upon the application of the Receiver to this Court upon notice as required under the BIA, and where the Court is of the opinion on the making of such an application that it is proper and in the best interests of the estate, to assign the Debtors into bankruptcy or obtain a bankruptcy order against the Debtors;
- (t) to pay certain pre-receivership amounts and honour cheques issued by the Debtors prior to the appointment of the Receiver that, in the discretion of the Receiver, are necessary to facilitate the administration of the Debtors' estate; and
- (u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons

in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body's investigation in respect of the Debtors or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has

powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies (including, without limitation, set-off rights), against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however, that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA) and including, without limitation, any rights or remedies or provision that purports to effect or cause a cessation of operatorship, in any agreement, construction, ownership and operating agreement, joint venture agreement, including specifically the Joint Operating Agreement (the "Eagle JOA") dated December 18, 2014 between the Borrower and Eagle Energy Canada Inc. and the 2007 CAPL Operating Procedure incorporated into the Eagle JOA, or any such similar agreements to which the Debtors are a party as a result of the occurrence of any default or non-performance by or the insolvency of the Debtors, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Debtors be replaced as operator pursuant to any such agreements, including the Eagle JOA, without further Order of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to employees' rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall

not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c 47 ("WEPPA").

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

- (c) Notwithstanding anything in any federal or provincial law, but subject to subparagraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
- A. complies with the order, or
- B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
- A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
- B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

16. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

17. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
18. The Receiver and its legal counsel shall pass their accounts from time to time.
19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$10,000,000

(or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.

21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
24. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

25. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

26. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
27. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.
28. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
29. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 orders and to provide such assistance to the Receiver, as an officer of this 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.
30. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
31. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

32. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

33. The Receiver shall establish and maintain a website in respect of these proceedings at www.ey.com/ca/spyglassresources and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.



J.C.Q.B.A.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

1. THIS IS TO CERTIFY that ERNST & YOUNG INC., the receiver (the "Receiver") of all of the assets, undertakings and properties of Spyglass Resources Corp, 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 appointed by Order of the Court of Queen's Bench of Alberta (the "Court") dated the ____ day of _____, _____ (the "Order") made in action number _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at [●].
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

ERNST & YOUNG INC., solely in its
capacity as Receiver of the Property (as
defined in the Order), and not in its personal
capacity

Per: _____
Name: _____
Title: _____

THE FOLLOWING COMPRISES SCHEDULE "F" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT DATED THE 24th DAY OF February, 2016 BETWEEN ERNST & YOUNG INC., solely in its capacity as receiver of SPYGLASS RESOURCES CORP., and not in its personal or corporate capacity, as Vendor, and CANADIAN NATURAL RESOURCES, as Purchaser

Form of Approval and Vesting Order

The pages attached comprise Schedule "F"

Schedule "F"

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 AGREEMENT 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
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 **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 AGREEMENT 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
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 **RECEIVER'S CERTIFICATE**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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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