Clerk's Stamp:
CLERK OF THE COURT
FILED
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CALGARY, ALBERTA

COURT FILE NUMBER	1801-09188
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	THIRD EYE CAPITAL CORPORATION
RESPONDENTS	RANCH ENERGY CORPORATION, OPSMOBIL 1734163 ALBERTA INC., 1859821 ALBERTA INC., OPSMOBIL GROUP INC., OPSMOBIL CONSTRUCTION INC., OPSMOBIL ENERGY SERVICES INC., AIR DALLAIRE LTD. and K.L. CAPITAL CORP.
DOCUMENT	**AFFIDAVIT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**DLA Piper (Canada) LLP** 1000, 250 – 2 Street SW Calgary, Alberta T2P 0C1 Lawyer: Carole J. Hunter Phone Number: (403) 698 8782 Fax Number: (403) 697 6600 Email Address: carole.hunter@dlapiper.com File No. 014725.00001

AFFIDAVIT OF REED McDONNELL
Sworn November 2, 2018

I, REED McDONNELL, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am the Vice President of Acquisitions and Commercial Operations for Tidewater Midstream and Infrastructure Ltd. ("**Tidewater**"). Tidewater is an unsecured creditor of Ranch Energy Corporation ("**Ranch**") and the operator of the Wildboy sale pipeline which transports Ranch's sales gas. Tidewater also has an established supplier network in Northeastern BC. As such I have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief, in which case I believe the same to be true.

2. I understand, based on a review of the publicly-available documents posted on the Receiver's website at www.documentcentre.eycan.com and, in particular, the documents relating to the application to be heard on November 7, 2018 (the "**November Application**"), that there is dispute between Ernst & Young Inc., in its capacity as receiver of Ranch (the "**Receiver**") and Predator Oil BC Ltd. ("**Predator BC**") about (i) the Receiver's ability to continue to operate the oil and gas assets owned by Ranch (the "**PNG Assets**") and (ii) whether Predator BC should be entitled to operate the PNG Assets. I also understand that despite Ranch's ownership of the PNG Assets, the permits issued by the British Columbia Oil and Gas Commission ("**BCOGC**") relating to those PNG Assets are held by Predator BC.

3. As set out above, Tidewater operators the Wildboy sales pipeline (the "**Wildboy Pipeline**") which transports Ranch's sales gas and connects the Wildboy gas plant to the Nova Gas pipeline system operated by TransCanada. Tidewater and Ranch are party to a Gas Handling Agreement dated March 31, 2017 pursuant to which Tidewater provides transportation services for gas from the Wildboy gas plant. As of July 19, 2018, when the receivership proceedings commenced, Ranch owed Tidewater $1,542,690.72 under the Gas Handling Agreement. Tidewater is currently owed $406,609.97 for the post-receivership period but has been advised by the Receiver that such payment will be made on November 2, 2018.

4. In light of the statements contained in the materials relating to the November Application, TWM is concerned that one potential outcome of the dispute between the Receiver and Predator BC is that BCOGC will cancel the permits and the PNG Assets will be shut-in. This outcome would result in further losses to Tidewater as it would not receive any further payments from the Receiver under the Gas Handling Agreement.

5. To protect its interests and the interests of the other stakeholders of Ranch, Tidewater has had discussions with Predator BC in an attempt to determine whether an agreement could be reached wherein Tidewater would operate the PNG Assets on behalf of Predator BC, as permit holder. As a result of those discussions and a review of the projected cash flows, Tidewater would be willing to operate the PNG Assets on the following basis:

(a) Predator BC and the Receiver would retain Tidewater as operator under Predator's permits;

(b) Tidewater would pay the overhead costs arising from the effective date of it commencing operatorship but would be reimbursed for such overhead costs from the revenues generated from the PNG Assets;

(c) Any excess revenues would remitted to the Receiver for the benefit of the stakeholders;

(d) Predator BC and the estate would be liable for and would indemnify Tidewater for any cost, expenses and liabilities arising during its operatorship which are not covered by the revenues generated from the PNG Assets;

(e) The Receiver would pay Tidewater a monthly fee, to be negotiated by the parties and based on current market rates, for Tidewater's operation of the PNG Assets; and,

(f) Tidewater would work to re-activate any PNG Assets that would result in a net benefit of the stakeholders.

6. In paragraph 50 of the Receiver's Fourth Report dated October 24, 2018 (the "**Fourth Report**"), the Receiver indicates that to even consider Predator BC (and presumably any other third party) as a contract operator of the PNG Assets, that party would have to demonstrate that:

(a) it has the financial wherewithal to satisfy the operational losses (calculated on average, at approximately, $1 million per month);

(b) it has the necessary insurance coverage to operate;

(c) it possesses adequate and qualified staffing; and

(d) it has past experience carrying out operations in compliance with the BCOGC.

7. Tidewater is a diversified midstream and infrastructure company with over 300 employees and oil and gas operations in both Alberta and British Columbia. The company is publicly traded on the Toronto Stock Exchange with a market capitalization of approximately $470 million. As a result, I believe Tidewater fulfills the requirements indicated by the Receiver to qualify Tidewater to contract operate the PNG Assets.

8. I have reviewed the cash flow projections as set out in the Fourth Report and in the Affidavit of Ryan Tobber sworn October 16, 2018 (the "**Tobber Affidavit**") and believe that the cash flow projections set out in the Tobber Affidavit can be achieved by Tidewater, as a result of :

(a) Tidewater's ability of physically hedge up to 50% of the projected volumes without the requirement to post security;

(b) Tidewater's established supplier network in Northeastern British Columbia; and

(c) Tidewater's experience as a safe, low-cost operator of oil and gas assets.

9. I swear this Affidavit to provide this Honourable Court with a potential solution to the dispute between the Receiver, Predator BC and BCOGC which allows for the continued operation of the PNG Assets for the benefit of all stakeholders of Ranch.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta this 2nd day of November, 2018	))))
A Commissioner for Oaths in and for the Province of Alberta	REED McDONNELL

David A.J. Barva
Lawyer
A Commissioner for Oaths in and for Alberta