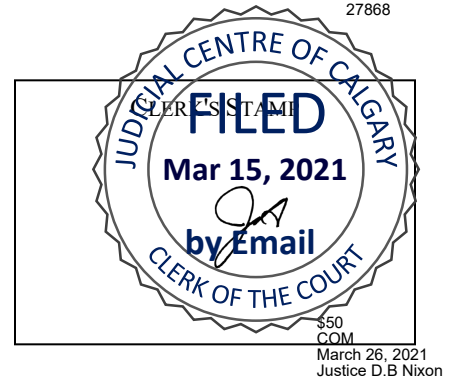




FORM 27
[RULES 6.3 AND 10.52(1)]



COURT FILE NUMBER

2001-10261

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PROCEEDING

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, as amended

AND IN THE MATTER OF THE
COMPROMISE OR ARRANGEMENT OF
GLENOGLE ENERGY INC., 1651558
ALBERTA LTD. and GLENOGLE ENERGY LP

DOCUMENT

**APPLICATION (Stay Extension and Ancillary
Relief)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500 Bankers Hall East
855 – 2 Street SW
Calgary, Alberta T2P 4K7

Attention: Chris Simard
Telephone No.: 403-298-4485
Fax No.: 403-265-7219
Client File No.: 61640.13

NOTICE TO RESPONDENTS:

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

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

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

Date:	Friday, March 26, 2021
Time:	10:00 a.m.
Where:	Calgary Courts Centre, by Webex videoconference
Before:	The Honourable Mr. Justice D.B. Nixon

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

Remedy claimed or sought:

1. Glenogle Energy Inc. and Glenogle Energy LP (collectively, "**Glenogle**" or the "**Applicants**") seek an order substantially in the form attached hereto as Schedule "A":
 - (a) declaring service of this Application and its supporting materials good and sufficient, and if necessary, abridging time for notice of the Application to the time actually given;
 - (b) extending to and including November 30, 2021 the Stay Period (as defined in the Initial Order granted in the within proceedings (the "**CCAA Proceedings**") on September 8, 2020 (the "**Initial Order**") and extended by the Amended and Restated Initial Order granted herein on September 8, 2020 (the "**ARIO**"));
 - (c) authorizing Glenogle to recommence making monthly payments to HSBC Bank Canada ("**HSBC**") pursuant to the Capital Lease Facility under the Amended and Restated Credit Facility dated July 2, 2020, as amended (the "**Credit Facility**") and authorizing Glenogle and HSBC to amend the Credit Facility to provide for same, if they deem it appropriate or necessary;
 - (d) authorizing Glenogle to repay out of Glenogle's free cash flow the amounts it has borrowed under the Interim Facility (as defined in the ARIO), if such repayment or repayments are confirmed by Ernst & Young Inc. (the "**Monitor**") and HSBC, and authorizing Glenogle and HSBC to amend the Credit Facility to provide for same, if they deem it appropriate or necessary;
 - (e) approving the amendments to the KERP as described in the March 12, 2021 Affidavit of Jamie Blair (the "**Blair Affidavit**") and authorizing Glenogle to make the amended Incentive Payments to the Key Employees who are listed in Confidential Exhibit "3" to the Blair Affidavit, but only if, at the date of the relevant payment, such Key Employee has fulfilled his or her employment obligations and has not voluntarily resigned or been terminated for cause;

- (f) directing that Confidential Exhibit "2" and Confidential Exhibit "3" to the Blair Affidavit (collectively, the "**Confidential Exhibits**") shall, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*, Alta Reg 124/2010, be sealed in the Court file, kept confidential, and not form part of the public record, until 30 days after all payments have been made under the KERP; and
- (g) granting such further and other relief as this Honourable Court may deem just.

Grounds for making this application:

- 2. On May 14, 2020, Glenogle commenced proposal proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**NOI Proceedings**").
- 3. Given the COVID-19 pandemic and the resultant uncertainty about when the Applicants would be able to complete their restructuring, the Applicants sought relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("**CCAA**") and this Honourable Court granted the Initial Order and the ARIO on September 8, 2020.

Stay Extension

- 4. The ARIO extended the Stay Period to and including March 31, 2021.
- 5. Glenogle seeks an extension of the Stay Period to and including November 30, 2021.
- 6. Glenogle has acted and continues to act in good faith and with due diligence and the requested extension will not materially prejudice any of Glenogle's creditors.

Reinstatement of Capital Lease Payments

- 7. The Credit Facility contains a Capital Lease Facility. When Glenogle and HSBC amended and restated the Credit Facility in July 2020, they agreed certain deferrals of payments under the Capital Lease Facility.
- 8. Glenogle seeks authority from the Court to recommence making those payments, in the same amounts as it had been making previously (\$60,187 per month).

Repayment of Borrowings Under Interim Facility

9. On June 12, 2020, during the NOI Proceedings, this Honourable Court approved the Interim Facility, up to a maximum borrowing of \$2.3 million and granted the Interim Lender's Charge, to secure the borrowings under the Interim Facility. HSBC is the Interim Lender. In the ARIO, this Honourable Court increased the maximum borrowing under the Interim Facility to \$2.6 million, and increased the Interim Lender's Charge to \$2.6 million.
10. Glenogle currently owes \$2.5 million to HSBC under the Interim Facility.
11. Glenogle seeks authority from the Court to make repayments under the Interim Facility, from time to time out of its free cash flow, subject to the confirmation of the Monitor and HSBC.

Approval of Amended KERP

12. This Honourable Court approved a Key Employee Retention Plan (the "**KERP**") on June 12, 2020. As described in the Blair Affidavit, the KERP contained both Retention Payments and Incentive Payments.
13. It is anticipated that certain of the Retention Payments will become payable and will be paid on June 30, 2021.
14. Glenogle has proposed, and HSBC has agreed, that the Incentive Payments under the KERP be amended.
15. The amount and structure of the payments under the proposed amended KERP are reasonable and the amended KERP will have the effect of incentivizing Glenogle's employees to maximize value for the benefit of Glenogle's creditors.

Sealing Order

16. The information in the Confidential Exhibits is private and confidential, and its disclosure would be detrimental to Glenogle and its ability to successfully restructure, as well as to the interests of the Key Employees.

Other Grounds

17. Such further and other grounds as counsel for Glenogle may advise and this Honourable Court may permit.

Material or evidence to be relied on:

18. The Affidavit of Jamie Blair sworn on March 12, 2021.
19. The First Report of the Monitor.
20. Such further and other materials as counsel for the Proposed Monitor or Company may advise and this Honourable Court may permit.

Applicable rules:

21. Part 6, Division 1 of the Alberta *Rules of Court*.

Applicable Acts and regulations:

22. The *Companies' Creditors Arrangement Act*;
23. Such further and other Acts or regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

24. None.

How the application is proposed to be heard or considered:

25. By Webex videoconference or teleconference.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

Clerk's Stamp:



COURT FILE NUMBER

COURT

JUDICIAL CENTRE OF

COURT OF QUEEN'S BENCH OF ALBERTA
CALGARY

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, as amended

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
GLENOGLE ENERGY INC., 1651558
ALBERTA LTD. and GLENOGLE ENERGY
LP

DOCUMENT

ORDER (Stay Extension and Ancillary Relief)

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT:

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard
Telephone No.: 403-298-4485
Fax No.: 403-265-7219
Client File No.: 61640.13

DATE ON WHICH ORDER WAS

PRONOUNCED:

Friday, March 26, 2021

NAME OF JUDGE WHO MADE

THIS ORDER:

The Honourable Mr. Justice D.B. Nixon

LOCATION OF HEARING:

Calgary Courts Centre
601 – 5th Street SW, Calgary, AB T2P 5P7

UPON the application of Glenogle Energy Inc., Glenogle Energy LP and 1651558 Alberta Ltd. (collectively, "**Glenogle**" or the "**Applicants**"); **AND UPON** having read the Affidavit of Jamie Blair sworn on March 12, 2021 (the "**Blair Affidavit**"), the First Report of the

Court-appointed Monitor, Ernst & Young Inc. (the "**Monitor**") and the Amended and Restated Initial Order granted herein on September 8, 2020 (the "**ARIO**"); **AND UPON** hearing counsel for the Applicants, and any other interested parties appearing at the application; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and deemed good and sufficient and this application is properly returnable today.

EXTENSION OF THE STAY PERIOD

2. The Stay Period (as defined in the ARIO) is hereby extended to and including November 30, 2021.

REINSTATEMENT OF CAPITAL LEASE PAYMENTS

3. Glenogle is hereby authorized to recommence making monthly payments to HSBC Bank Canada ("**HSBC**") pursuant to the Capital Lease Facility under the Amended and Restated Credit Facility dated July 2, 2020, as amended (the "**Credit Facility**") and Glenogle and HSBC are hereby authorized to amend the Credit Facility to provide for same, if they deem it appropriate or necessary.

REPAYMENT OF BORROWINGS UNDER THE INTERIM FACILITY

4. Glenogle is hereby authorized to repay out of Glenogle's free cash flow the amounts it has borrowed under the Interim Facility (as defined in the ARIO), if such repayment or repayments are confirmed by the Monitor and by HSBC, and Glenogle and HSBC are hereby authorized to amend the Credit Facility to provide for same, if they deem it appropriate or necessary.

AMENDMENTS TO THE KERP

5. The amendments to the Key Employee Retention Plan (the "**KERP**") approved by this Honourable Court on June 12, 2020 as described in Confidential Exhibit "3" to the Blair

Affidavit, are hereby approved. Glenogle is authorized to fulfil its obligations under the KERP, as amended.

SEALING

6. Notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*, Alta Reg 124/2010, the Confidential Exhibits shall be sealed on the Court file and shall not form part of the public record, until 30 days after all payments have been made under the KERP.
7. The Clerk of this Honourable Court shall file the Confidential Exhibits in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED
BY GLENOGLE ENERGY INC. AND GLENOGLE ENERGY LIMITED
PARTNERSHIP; AND

THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO
THE SEALING ORDER ISSUED BY THE HONOURABLE MR.
JUSTICE D.B. NIXON ON OR ABOUT MARCH 26, 2021.

Justice of the Court of Queen's Bench of Alberta