

COURT FILE NUMBER 1701-03460

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE Calgary

APPLICANT ALBERTA ENERGY REGULATOR

RESPONDENT LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. and LR PROCESSING PARTNERSHIP

DOCUMENT ORDER

I hereby certify this to be a true copy of the original Order

Dated this 2 day of April 19


for Clerk of the Court

ADDRESS FOR SERVICE AND

CONTACT INFORMATION OF

PARTY FILING THIS

DOCUMENT

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File No. 547730/000021

DATE ON WHICH ORDER WAS PRONOUNCED: April 2, 2019

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable B.E.C. Romaine

UPON the Application of Grant Thornton Limited in its capacity as the court-appointed receiver (the "Receiver") of Lexin Resources Ltd. ("Lexin"), 1051393 B.C. Ltd. ("105"), 0989 Resource Partnership ("0989"), LR Processing Ltd. ("LR Ltd.") and LR Processing Partnership ("LR Processing" and collectively with Lexin, 105, 0989 and LR Ltd. the "Lexin Group"); AND UPON having read the Thirteenth Report of the Receiver, dated March 22, 2019 (the "Thirteenth Report") and the Affidavit of Service of Stella Kim, filed, and the pleadings and Receiver's reports previously filed herein, including the receivership order granted on March 20, 2017 (the "Lexin Receivership Order"); AND UPON having heard submissions from counsel for the Receiver, and any other counsel in attendance at this Application,



IT IS HEREBY ORDERED AND DECLARED THAT:Service

1. The time for service of this Application together with all supporting materials is hereby declared to be good and sufficient and no other person is required to have been served with such documents, and this hearing is properly returnable before this Honourable Court today and further service thereof is dispensed with.

Cargill Funds

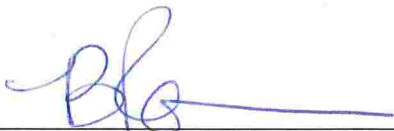
2. The Receiver is hereby authorized to transfer the funds collected from Cargill Limited in the amount of \$60,350 CAD, plus interest earned thereon, to its general trust account for the benefit of the Lexin Group estate.

Notice of Renunciation

3. The Notice of Renunciation appended hereto as Schedule "A" is hereby approved and ratified and the Receiver is hereby authorized to execute the Notice of Renunciation and issue the Notice of Renunciation to the Service List and to any other interested party the Receiver deems appropriate in the circumstances.

Approval of Activities & Fees

4. The Receiver's activities as set out in the Thirteenth Report are hereby approved.
5. The Receiver's accounts for fees and disbursements, as summarized in the Thirteenth Report, invoices for which were provided to the Court, are hereby approved without the necessity of a formal passing of its accounts.
6. The accounts of the Receiver's legal counsel, Borden Ladner Gervais LLP, for its legal fees and disbursements, as summarized in the Thirteenth Report, invoices for which were provided to the Court, are hereby approved without the necessity of a formal passing of its accounts.



Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Notice of Renunciation

NOTICE OF RENUNCIATION

WHEREAS Grant Thornton Limited is the court-appointed receiver (the **"Receiver"**) of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the **"Property"**), of all of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively **"Lexin"**);

AND WHEREAS the Receiver was appointed with respect to the Lexin assets pursuant to a receivership order granted by the Alberta Court of Queen's Bench (the **"Court"**) on March 20, 2017, as amended by the Consent Receivership Order granted by the Court on June 13, 2017 (together the **"Receivership Order"**) and the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3;

AND WHEREAS Lexin holds mineral leases, surface leases, non-operated working interests, equipment, and seismic data in the properties attached hereto as Schedule A (the **"Retained Properties"**) with the remaining mineral leases, surface leases, non-operated working interests, equipment and seismic data that Lexin holds an interest in representing the properties being renounced (**"Renounced Properties"**);

AND WHEREAS paragraph 3(a) of the Receivership Order provides that the Receiver shall not take possession of or exercise physical control over any Lexin oil or gas well, pipeline, facility or site regulated by the AER;

AND WHEREAS paragraph 3(b) of the Receivership Order empowers the Receiver to disclaim, abandon or renounce Lexin's interest in any of the Property;

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS that the Receiver has never adopted any interest Lexin may have in the Renounced Properties and effective as of the date of the Receivership Order, in accordance with, *inter alia* paragraph 3(b) of the Receivership Order, hereby abandons, renounces and releases any and all interest in respect of any interest Lexin may have in the Renounced Properties, including but not limited to any regulatory licenses, working interests, leases or real property or any immovable property that is affected by or subject to the Renounced Properties.

IN WITNESS WHEREOF, the Receiver executed this Renunciation of Interest this 2nd day of April, 2019.

SIGNED, SEALED AND DELIVERED

GRANT THORNTON LIMITED, in its
capacity as the court-appointed receiver of **Lexin
Resources Ltd., 1051393 B.C. Ltd., 0989
Resource Partnership, LR Processing Ltd.
and LR Processing Partnership**, and not in its
corporate or personal capacity

Per _____
Andrew Basi, Senior Vice-President

I have the authority to bind the Receiver

**SCHEDULE A – RETAINED PROPERTIES
CROSSFIELD STRIKE AREA ASSETS**

Lands, Petroleum and Natural Gas Rights

Vendor File #	Title Document	Legal Description	Zones	Vendor Interest	Encumbrances
M03042	Cr P&NG Lease 0478080008	23-28-W4M:Ptn. 14	P&NG in Crossfield Member	100% BPO 50% APO)	s/s (5-15% on oil and 15% on gas based on 50% of production Crown
M03042	Cr P&NG Lease 0478080008	23-28-W4M:Ptn. 14	P&NG below base Belly River to base Wabamun Group excluding NG below base Belly River to base Mannville and P&NG in Crossfield Member	67.142% BPO 33.571% APO)	s/s (5-15% on oil and 15% on gas based on 50% of production Crown
M03043	PrairieSky Lease dated August 29, 1978	23-28-W4M:Ptn. NE14	Petroleum in Belly River, Viking, Mannville Group, Glaconitic Sandstone and Basal Quartz	67.142% BPO 33.571% APO)	s/s (5-15% on oil and 15% on gas based on 50% of production 30% Lessor Royalty
M03044	PrairieSky Lease dated August 29, 1978	23-28-W4M:Ptn. NW14	Petroleum in Belly River, Viking, Mannville Group, Glaconitic Sandstone and Basal Quartz	67.142% BPO 33.571% APO)	s/s (5-15% on oil and 15% on gas based on 50% of production 30% Lessor Royalty
M02936	Cr P&NG Lease 0495060015	23-28-W4M:NE & ptn S 16	NG in Edmonton	97.6% (pooled)	5% on 97.6% Crown
M02936	Cr P&NG Lease 0495060015	23-28-W4M:NE & ptn S 16	Below base Belly River to base Turner Valley	97.5%	2% on 5% 2% on 5% 5% on 97.5% Crown

M02936	Cr P&NG Lease 0495060015	23-28-W4M:NE & ptn S 16	Pete in Edmonton	97.5%	2% on 5% 5% on 97.5% Crown
M02940	Cr P&NG Lease 116502	23-28-W4M:28	To base Belly River	100%	15% on 75% 15% on 25% 5% on 100% Crown
M02940	Cr P&NG Lease 116502	23-28-W4M:28	Below base Belly River to base Elkton	75%	11.25% on 75% 5% on 75% Crown
M05652	Cr P&NG Lease 127056A	23-28-W4M:N&SE34	To base Wabamun excluding NG to base Mannville	55.56%	5% on 55.56% Crown
M05653	Cr P&NG Lease 127056B	23-28-W4M:SW34	To base Wabamun	100%	5% on 100% Crown

Wells (including associated equipment)

Location	Licence	Surface Lessor (per Lexin records)
00/04-10-023-28W4	0189985	Simpson Ranching Limited
00/14-16-023-28W4	0182704	Jack & Marlene Begg
00/04-21-023-28W4	0179609	1724732 Alberta Ltd.
00/07-21-023-28W4	0256890	1724732 Alberta Ltd.
00/10-21-023-28W4	0177460	1724732 Alberta Ltd.
02/10-21-023-28W4	0203704	1724732 Alberta Ltd.
00/12-21-023-28W4	0181274	1724732 Alberta Ltd.
00/02-28-023-28W4	0214266	Buerkle et al (c/o Hans Roth Universal Agencies)
02/10-28-023-28W4	0327717	Buerkle et al (c/o Hans Roth Universal Agencies)
00/07-33-023-28W4	0031415	L. Jane Hawkins & Maureen Hawkins
00/05-34-023-28W4	0037686	Sheftel & Paperny

Pipelines (including associated surface leases, if applicable)

From	To	Licence
6-34-23-28-W4M	7-33-23-28-W4M	28351
7-33-23-28-W4M	4-10-273-28-W4M	24493
7-33-23-28-W4M	10-21-23-28-W4M	28709
14-16-23-28-W4M	10-21-23-28-W4M	28709
11-28-23-28-W4M	10-21-23-28-W4M	46191
3-28-23-28-W4M	10-21-23-28-W4M	34879
10-21-23-28-W4M	6-29-22-28-W4M	34425

Facilities (including associated equipment)

Location	Type	Licence	Surface Lessor (per Lexin records)
7-33-23-28-W4M	Battery	F3379	L. Jane Hawkins & Maureen Hawkins
10-21-23-28-W4M	Battery and Compressor Station	F3377	1724732 Alberta Ltd.
10-21-23-28-W4M	Battery	F3378	1724732 Alberta Ltd.

SCHEDULE A – RETAINED PROPERTIES VULCAN AREA ASSETS

WELLS/FACILITY (including associated equipment)	LICENCE	SURFACE LOCATION	WI	SURFACE LESSOR	MINERAL AGREEMENTS
100 / 14-28-015-25 W4 / 0	0335770	14-28-015-25W4M	50%	Pisikla, A	Crown P&NG 0400050044 - All P&NG TB Mannville
102 / 14-28-015-25 W4 / 0	0348415	14-28-015-25W4M	50%	Above	Above
100 / 10-33-015-25 W4 / 0	0358667	10-33-015-25W4M	72.0001 Pooled	Hutterian of Little Bow	11 Freehold Mineral Titles - Caveats Standard Land,
100 / 06-34-015-25 W4 / 0	0337243	06-34-015-25W4M	50%	Schneider	Crown P&NG 0400050048 - All P&NG TB Mannville
100/05-06-016-25W4/0	351489	05-06-16-25W4M	50%	Keith Fisher Farms	Crown P&NG 0405120388 - All P&NG TB Mannville
9-29-15-25W4 Compressor & GGS	F36735	9-29-15-25W4M	50%	Maisey et al	NA

PIPELINES

License #46043

Line 1 9-29-015-25W4 to 11-01-015-25W4
Line 3 14-28-015-25W4 to 09-29-015-25W4
Line 4 05-06-16-25W4 to 04-06-016-25W4
Line 5 10-33-015-25W4 to 14-28-015-25W4
Line 8 06-34-015-25W4 to 14-28-015-25W4

SCHEDULE A – RETAINED PROPERTIES OTHER RETAINED ASSETS

1. Fee Simple lands presently titled to 1059032 BC Ltd. and Compton Petroleum Corporation, but to be transferred to Lexin;
2. Proprietary seismic data until closing of the proposed sale to Paramount Resources Ltd. or other parties should this sale not close;
3. Vulcan mineral leases until closing of the proposed sale to Wilcox Energy Corp. or other parties should this sale not close;
4. 2007 GMC Sierra 1500 truck (VIN - 1GTEK19J27Z521311) – pending R.O. information;
5. Terminated surface leases for LTAM High River sale once re-instated by the SRB for the period of retention, if any, required for Lexin to convey the leases to LTAM in accordance with PSA terms;
6. Those Crown mineral leases where, in the records of the Alberta Department of Energy (“AE”):
 - a. Lexin is the designated representative (des rep) and is also one of two or more lessees, or
 - b. Lexin is the des rep and is not a lessee.
until transfer of the des rep designation is registered with AE. In respect of such Crown mineral leases where the application for the transfer of the des rep designation is not received by AE on or before June 30, 2019, those Crown mineral leases are hereby renounced.