

COURT FILE NUMBER **1701-03460**

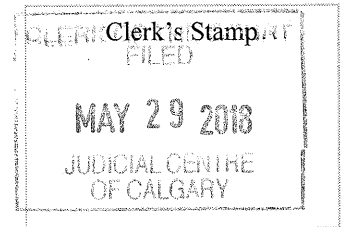
COURT COURT OF QUEEN'S BENCH OF ALBERTA

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 **APPLICATION BY RECEIVER
(commercial list)**



ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT 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: rgurofsky@blg.com
 File No. 547730/000021

NOTICE TO RESPONDENTS: See Service List, Schedule "A" to this Application

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

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

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

Date	June 7, 2018
Time	10:00 a.m.
Where	Calgary Courts Centre, 601-5 th Street SW, Calgary AB
Before Whom	The Honourable B.E.C. Romaine

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

Remedy claimed or sought:

1. Grant Thornton Limited, in its capacity as the court-appointed receiver ("**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**"), seeks Orders in substantially the same form as attached hereto as **Schedule "B"** for the following relief:
 - (a) Declaring service of this Application good and sufficient, and abridging the time for notice of this Application to the time actually given, if necessary;
 - (b) Approving and ratifying the Receiver's activities as more particularly set forth in the Eighth Report of the Receiver dated May 28, 2018 (the "**Eighth Report**"), filed in the within proceedings;
 - (c) Approving and ratifying the Receiver's fees and disbursements as set out in the Eighth Report, without the necessity of a formal passing of its accounts;
 - (d) Approving and ratifying the accounts of the Receiver's legal counsel, Borden Ladner Gervais LLP, for its fees and disbursements, as summarized in the Eighth Report without the necessity of a formal passing of its accounts;
 - (e) Approving the Receiver's partial discharge of its obligations over the facilities licenses outlined in Appendix 3 of the Eighth Report;
 - (f) Approving the Millenia Engagement Letter, the Energy Auctions Engagement Letter and the Remax Southern Realty Listing Agreement, as appended to the Eighth Report; and
 - (g) Sealing the confidential appendices to the Eighth Report (the "**Confidential Appendices**") until further order of the Court.
2. Such further and other relief as this Honourable Court may deem just in the circumstances.

Grounds for making this application:

3. The grounds for making this application are as set out in the Eighth Report. These grounds include, but are not limited to the following:

Background of Receivership Proceedings

- (a) On March 20, 2017, this Court granted the Alberta Energy Regulator's ("**AER**") application to petition Lexin into receivership (the "**Lexin Receivership Order**"). Subsequently, on June 13, 2017, this Court granted the Receiver's application to petition 105, 0989, LR Ltd. and LR Processing into receivership pursuant to a consent receivership order (the "**Expanded Receivership Order**" and together with the Lexin Receivership

Order the “**Receivership Orders**”). All capitalized terms used but not otherwise defined herein shall have the meaning given to them in the Receivership Orders.

- (b) The Receivership Orders appointed the Receiver over all of the Debtors’ Property, but provided that, while the Receiver may take possession and exercise control over the Property, the Receiver is not required to take possession or exercise physical control over any of the Debtors’ oil or gas wells, pipelines, facilities or sites regulated by the AER (the “**Sites**”).
- (c) The Sites for which the Debtors were the sole operator and owner are now under the care and custody of the Orphan Well Association; however, Sites operated by the Debtors (or any one of them) in which there are working interest participants (“**WIPs**”) have been placed under the care and custody of those WIPs.
- (d) While the Receiver cannot take physical possession of the Sites, the Receiver is authorized to conduct a sales and marketing process with respect to all of the Debtors’ Property.

Sales Process

- (e) On July 14, 2017, the Receiver obtained this Court’s approval to engage in an extensive sales and solicitation process (“**Sales Process**”) to market for sale all of the Lexin Group’s assets. The SSP is underway with the assistance of the Receiver’s court-approved sales advisor, Sayer Energy Advisors.
- (f) While the Sales Process is not yet concluded, it has become apparent to the Receiver that certain properties, including AER licensed facilities, will not be sold in the Sales Process. As a result, the Receiver is proposing to obtain a partial discharge of its responsibilities and obligations under the Receivership Order over certain of the facilities licenses, similar to the partial discharges obtained by the Receiver on April 18 in respect of certain well licenses.
- (g) Also apparent to the Receiver is that certain of the properties cannot be sold as a going concern in the Sales Process. In order to extract value from these properties for the benefit of the estate, the Receiver has investigated equipment salvage options at certain of these properties. In particular, the Receiver has selected Millenia Engineering out of a process, to assist the Receiver in the preparation of an RFP process for the dismantling of buildings and salvage of equipment at the Mazeppa Gas Plant Site. In addition, the Receiver has selected Energy Auctions to assist with an auction of surface equipment located at the Gladys site. The Receiver seeks the Court’s approval of the engagement letters with Millenia Engineering and Energy Auctions, in the form appended to the Eighth Report.
- (h) The Receiver has identified certain farmland which can be listed for sale. After speaking with a number of realtor brokerages, the Receiver has selected Remax as the proposed listing agent and has prepared a form of listing agreement which is subject to court approval.

Sealing Order

- (i) The Confidential Appendices contain commercially sensitive information that, if disseminated could adversely affect the salvage processes and the processes undertaken by the Receiver for the selection of the salvage contractor.
 - (j) The Sealing Order sought is the least restrictive and prejudicial alternative to prevent dissemination of this commercially sensitive information.
 - (k) It is fair and just in the circumstances to restrict public access to the Confidential Appendices on the terms set out in the proposed sealing order.
4. Such further and other basis as Counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

- 5. The Eighth Report of the Receiver, dated May 28, 2018.
- 6. The Confidential Appendices to the Eighth Report.
- 7. The pleadings and Receiver's Reports previously filed in these proceedings, and specifically the Seventh Report.
- 8. Such further and other evidence as counsel may advise and this Honourable Court permit.

Applicable rules:

- 9. *Alberta Rules of Court*, AR 124/2010, and in particular, Rules 1.3, 3.75, 6.3, 6.4, 11.27, 11.29 and 13.5
- 10. *Bankruptcy and Insolvency General Rules*, and in particular Rules 3, 6 and 11.
- 11. Such further and other rules as counsel may advise and this Honourable Court permit.

Applicable Acts and regulations:

- 12. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and in particular Part XI thereof.
- 13. *Judicature Act*, RSA 2000, c J-2.

Any irregularity complained of or objection relied on:

- 14. None.

How the application is proposed to be heard or considered:

15. In person before the Honourable Justice B.E. Romaine, with some or all of the parties present.

WARNING

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

Schedule "A" Service List

COURT FILE NUMBER	1701-03460
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	Calgary
APPLICANT	ALBERTA ENERGY REGULATOR
RESPONDENT	LEXIN RESOURCES LTD.
DOCUMENT	SERVICE LIST
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Robyn Gurofsky/Jessica L. Cameron Borden Ladner Gervais LLP 1900, 520 3 rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9774/9715 Facsimile: (403) 266-1395 Email: rgurofsky@blg.com / jcameron@blg.com File No. 547730/000021

Summit Acceptance Corp. 4620 Blackfoot Trail SE Calgary AB T2G 4G2	
MFC Energy Finance Inc. 1860 - 400 Burrard Street Vancouver BC V6C 3A6	
Marquinn Industries Ltd. 7115 Sparrow Drive Leduc AB T9E 7L1	
Baker Hughes Canada Company c/o DLA Piper (Canada) LLP 1000-250 2 Street SW Calgary AB T2P 0C1	
Her Majesty the Queen in Right of Alberta c/o Service Alberta Crown Debt Collections 8 th Floor John E. Brownlee Building Edmonton AB T5J 3W7	
Municipal District of Ranchlands No. 66 PO Box 1060 Nanton AB T0L 1R0	
Enerflex Ltd. 10121 Barlow Trail NE Calgary AB T3J 3C6	
Municipal District of Willow Creek No. 26 26 Highway 520 W Claresholm AB T0L 0T0	
AltaGas Processing Partnership 1700, 355 – 4 Avenue SW Calgary AB T2P 0J1	
MFC Acquisition Inc., As Administrative Agent 1000 925 W. Georgia Street Vancouver BC V6C 3L2	
MFC Industrial Ltd. 1000, Cathedral Place 925 West Georgia Street Vancouver, BC V6C 3L2	
Adeco Exploration Company Ltd. (0ZA0) c/o Bennett Jones LLPL 4500-855 2 Street SW Calgary AB T2P 4K7	
Ms. Nancy Penner Interwest Petroleum Ltd. c/o Parlee McLaws LLP 3300, 421 – 7th Avenue SW Calgary Alberta T2P 4K9	
Phillips Petroleum Canada Ltd. (0945) 1600-401 9 Avenue SW	

Calgary AB T2P 2H7	
R.W. Berry Canada, Inc. c/o Bennett Jones LLP 4500-855 2 Street SW Calgary AB T2P 3K7	
Prospex Resources Ltd. (A120) c/o Paramount Resources Ltd. (04W4) 4700-888 3 Street SW Calgary AB T2P 5C5	
Westhill Petroleum Ltd. (0EX2) 3300, 421 7 th Ave SW Calgary, AB T2P 4K9	
Royalty Trust 400-144 4 Avenue SW Calgary AB T2P 3N4	
Canadian Freehold Consulting (1991) Ltd. 47 Edgehill Crescent NW Calgary AB T3A 2X5	
Chessor Holdings Ltd. 460 30 Ave Avenue NW Calgary AB T2M 2N4	
Copper Creek Gold Corp. 710 750 West Pender Street Vancouver BC V6C 2T7	
Country Rock Resources Ltd. (A2BY) 79 Windmill Way Calgary AB T3Z 1H5	
Newbert Petroleum Engineering Ltd. (0Z8W) Box 528 Crossfield AB T0M 0S0	
Scotia Oils Limited (0DK9) 1164-7620 Elbow Drive SW Calgary AB T2V 1K2	
Roseland Development Ltd. (0M21) 602 25 Avenue SW Calgary AB T2S 0L6	
264646 Alberta Ltd. 4th Floor, 4943 50 Street Red Deer AB T4N 1Y1	
Deloitte Management Services LP c/o Miller Thomson LLP 2700 Commerce Place 10155 102 Street Edmonton AB T5J 3W7 Patrick Harnett	pharnett@millerthomson.com
Ember Resources Inc. (A1H9) 800-400 3 Avenue SW Calgary AB T2P 4H2	tzuorro@emberresources.com
Houston Oil & Gas Ltd. (A74H) 800-903 8 Avenue SW	mark@houstonoil.ca

Calgary AB T2P 0P7	
Husky Oil Operations Limited (0R46) 707 8 Avenue SW PO Box 6525 Stn D Calgary AB T2P 3G7	Husky.regulatory@huskyenergy.ca
Murphy Canada Exploration Company (0MY7) 1700-555 4 Avenue SW Calgary AB T2P 3Y3	Gaye_marshall@murphyoilcorp.com
New North Resources Ltd. (0CZ4) 320-700 4 Avenue SW Calgary AB T2P 3J4	Pradeep@new-north.com
Omers Energy Inc. (A08E) 3000-520 3 Avenue SW Calgary AB T2P 0R3	Jessica.gregorash@omersenergy.com
Penn West Petroleum Ltd. (0BP8) 200-207 9 Avenue SW Calgary AB T2P 1K3	regulatory@pennwest.com
Pine Cliff Energy Ltd. (A1GR) 850-1015 4 Street SW Calgary AB T2R 1J4	tmcneill@pinecliffenergy.com hisidoro@pinecliffenergy.com
SanLing Energy Ltd. (A7AZ) 1700-250 2 Street SW Calgary AB T2P 0C1	Kate.ramage@sanlingenergy.com David.west@sanlingenergy.com
Signalta Resources Limited (0R89) 700-840 6 Avenue SW Calgary AB T2P 3E5	Angela.meister@signalta.com
Stockwork Properties Ltd. (0EN3) 501-888 4 Avenue SW Calgary AB T2P 0V2	dmdixon@telus.net
Sutton Energy Ltd. (0M9E) 450-736 8 Avenue SW Calgary AB T2P 1H4	B_gough@shaw.ca
TAQA North Ltd. (A2TG) 2100-308 4 Avenue SW Calgary AB T2P 0H7	regulatoryaffairs@taqa.ca
Trident Exploration (Alberta) Corp. (A663) 1000-444 7 Avenue SW Calgary AB T2P 0X8	phawke@tridentexploration.ca
Zargon Oil & Gas Ltd. (0MP9) 700-333 5 Avenue SW Calgary AB T2P 3B6	rdoetzel@zargon.ca
Bounty Developments Ltd. (0HP8) 1250-340 12 Avenue SW Calgary AB T2R 1L5	Kelly@bountydev.com
The Paddon Hughes Development Co. Ltd. 940-1122 4 Street SW Calgary AB T2R 1M1	waldyk@paddonhughes.com
6058931 Canada Inc. 1650-801 6 Avenue SW Calgary AB T2P 3W2	6058931_operations@questerre.com

Direct Energy Marketing Limited (0RC3) PO Box 4335 Stn C Calgary AB T2T 4K3		catherine.hiscocks@canlinenergy.com
Long Term Asset Management Inc. (A6JF) 925 Veterans Boulevard NW Airdrie AB T4A 2G6		maugust@ltam.ca
Alberta Treasury Branches 600-444 7 Avenue SW Calgary, AB T2P 0X8 Alex Corbett Dawn Walby		acorbett@atb.com dwalby@atb.com
Caledonian Royalty Corporation (A684) 2200-300 5 Avenue SW Calgary AB T2P 3C4 David Horn Charles Selby		David.horn@caledonianroyalty.com Charles@selbypro.com
Coastal Resources Limited (OPR1) 1400-520 5 Avenue SW Calgary AB T2P 3R7		rlakhoo@coastal.ab.ca
Bonavista Energy Corporation (A5RX) 1500-525 8 Avenue SW Calgary AB T2P 1G1		Colin.hennel@bonavistaenergy.com
ConocoPhillips Canada Resources Corp. (A5G3) 1600-401 9 Avenue SW Calgary AB T2P 2H7		regulatoryaffairsmailbox@conocophillips.com
Crescent Point Energy Corp. (A2J6) 2000-585 8 Avenue SW Calgary AB T2P 1G1		regulatory@crescentpointenergy.com
Cassels Brock Suite 2200, HSBC Building 885 West Georgia Street Vancouver, BC V6C 3E8 Mary Buttery		mbuttery@casselsbrock.com Counsel for Energy Leasing Partners Ltd.
Canadian Natural Resources Limited (OHE9) 2100-855 2 Street SW Calgary AB T2P 4J8		Orest.kotelko@cnrl.com Jeff.davidson@cnrl.com
Groia & Company 365 Bay Street, 11 th Floor Toronto ON M5H 2V1 Joseph Groia Bonnie Roberts Jones Tatsiana Okun	416-203-4476	jgroia@groiaco.com brjones@groiaco.com tokun@groiaco.com Counsel for Lexin Resources Inc.
Borden Ladner Gervais LLP 1900, 520 3 rd Ave SW Calgary, AB T2P 2T1 Robyn Gurofsky Jessica Cameron	403-232-9774 403-232-9715 403-232-1395 (Fax)	rgurofsky@blg.com jcameron@blg.com Counsel for Receiver
Grant Thornton Limited	403-296-3087	Michael.Costello@ca.gt.com Andrew.Basi@ca.gt.com

900, 833 - 4th Ave SW Calgary, AB T2P 3T5 Michael Costello Andrew Basi Breanne Scott	403-260-2571 (Fax)	Breanne.Scott@ca.gt.com Receiver
Bennett Jones 4500 Bankers Hall East 855 2 nd Street SW Calgary, AB T2P 4K7 Brad Gilmour Laura Gill	403 298 3382	Gilmourb@bennettjones.com Gilll@bennettjones.com Counsel for the Orphan Well Association
Brownlee LLP 396 11 Ave SW Calgary, AB T2R 0C3 Greg Plester	403-260-1475 403-260-5309	gplester@brownleelaw.com Counsel for Municipal District of Vulcan County Counsel for Municipal District of Willow Creek No. 26
MLT Aikins LLP 1600, 520 3 Avenue SW Calgary AB T2P 0R3 Sean Fairhurst John P. Gruber	403-693-4307	sfairhurst@mltaikins.com Counsel for Municipal District of Foothills jgruber@mltaikins.com Counsel for Bearspaw Petroleum
Billington Barristers 1910 Elveden House 717 – 7 Avenue SW Calgary AB T2P 0Z3 Richard N. Billington	403-930-4101	rbillington@billingtonbarristers.com Counsel for Young EnergyServe Inc.
Warren Sinclair LLP 600-4911 51 Street Red Deer AB T4N 6V4 Matthew T. Mowbrey .		mmowbrey@warrensinclair.com Counsel for Triple Seven Integrity Management Inc.
Department of Justice Canada Counsel Prairie Region 601-606 4 Street SW Calgary, AB T2P 1T1 Raymond Lee Lori Williams	403-299-3984 403-299-3507 (Fax)	Raymond.lee@justice.gc.ca Lori.williams@justice.gc.ca Counsel for Indian Oil and Gas
Carscallen LLP 1500 - 407 2 Street SW Calgary AB T2P 2Y3 Michael B. Niven, Q.C. Hema Ahuja	403-298-8464 403-262-2952 (Fax)	niven@carscallen.com Ahuja@carscallen.com Counsel for Landowners: Section 23 Developments Ltd. and Alexander Soutzo
Bennett Jones 4500 Bankers Hall East 855 2nd Street SW Calgary, AB T2P 4K7 Chris Simard	403 298 4492	simardec@bennettjones.com Counsel for Exxon Mobil
BC Oil and Gas Commission PO Box 9331 Stn Prov Govt		Sara.Gregory@bcogc.ca

Victoria, BC V8W 9N3 Sara Gregory		
DLA Piper (Canada) LLP #1000, 250 2nd St SW Calgary, AB T2P 0C1 Karen Fellowes Carole Hunter Jonathon Ward		Karen.fellowes@dlapiper.com Counsel for MNP, Trustee in Bankruptcy for LR Processing carole.hunter@dlapiper.com Counsel for Highfield Investment Group Inc. jonathon.ward@dlapiper.com Counsel for DNOW Canada ULC
Cassels Brock LLP 1250 Millennium Tower 440 – 2nd Avenue SW Calgary AB T2P 5E9 Jacqueline Chow Danielle Maréchal Keith Templeton Jeffrey Oliver	403-351-2932	jchow@casselsbrock.com dmarechal@casselsbrock.com ktempleton@casselsbrock.com joliver@casselsbrock.com Counsel for Tamarack Valley Energy Ltd.
JSS Barristers 800, 304 8 Ave SW Calgary, AB T2P 1C2 Christa Nicholson		nicholsonc@jssbarristers.ca Counsel for Alberta Energy Regulator
Alberta Energy Regulator 1000-250 5 Street SW Calgary AB T2P 0R4 Patricia Johnston Keely Cameron	403-476-9381 403-297-7031 (Fax)	Patricia.johnston@aer.ca Keely.cameron@aer.ca
Alberta Justice Energy Law 9 th Floor, 9945 108 Street Edmonton, AB T5K 2G6 Peter Mittal Vivienne Ball Lisa Semenchuk Christine King Wade Clark Mark McLennan	780-427-1848 780-427-1871 (Fax)	Peter.Mittal@gov.ab.ca vivienne.ball@gov.ab.ca Lisa.Semenchuk@gov.ab.ca christine.king@gov.ab.ca Wade.Clark@gov.ab.ca Mark.mclennan@gov.ab.ca
Alberta Justice Constitutional Law 4 th Floor, 9833 109 Street Edmonton, AB T5K 2E8 Lillian Riczu	780-422-9114	Lillian.Riczu@gov.ab.ca
PrairieSky Royalty Ltd. 1700, 350 7 Avenue SW Calgary, AB T2P 3N9 Matthew McMahon	587-293-4099	matthew.mcmahon@prairiesky.com
McMillan 1700, 421 7 Avenue SW Calgary, AB T2P 4K9 Michael A. Thackray	403-531-4710	michael.thackray@mcmillan.ca Counsel for HESC Energy Corporation

Stikeman Elliott LLP 4300 Bankers Hall West 888 3 Street West Calgary, AB T2P 5C5 Bradley Squibb	403-266-9079	bsquibb@stikeman.com Counsel for Lexin Resources Ltd.
MLT Atkins LLP 1600, 520 3 rd Ave SW Calgary, AB T2P 0R3 Sean Fairhurst	403-693-4300	sfairhurst@mltaikins.com Counsel for Municipal District of Ranchland No. 66
Dentons Canada LLP 2900, 10180 - 101 Street Edmonton, AB T5J 3V5 Dean A. Hitesman	780-423-7284	dean.hitesman@dentons.com Counsel for F12.net Inc.
Reynolds Mirth Richards & Farmer LLP 3200, 10180 - 101 Street Edmonton, AB T5J 3W8 Robert J. McCarthy	780-497-3377	rmccarty@rmrf.com Counsel for Kneehill County
Bennett Jones 4500 Bankers Hall East 855 2nd Street SW Calgary, AB T2P 4K7 Athyna J. Slack	403-298-8137	slacka@bennettjones.com counsel for Scott Land & Lease Ltd.
DLA Piper (Canada) LLP 250 2nd St SW #1000, Calgary, AB T2P 0C1 Kenneth Reh	403-697-8753	ken.reh@dlapiper.com Counsel for Banker Hughes Canada Company
Thornborough Smeltz LLP 11650 Elbow Dr SW Calgary, AB T2W 1S8 Peter Osadetz	403-271-3221	peter@thornsmeltz.com Counsel for Global Steel Ltd. and Silverstar Oilfield Transportation Ltd.
Sangra Moller LLP 1000 Cathedral Place 925 W Georgia St Vancouver, BC V6C 3L2 Harjit Sangra Rod Talaifar	604-692-3022 604-692-3023	hsangra@sangramoller.com rtalaifar@sangramoller.com
Bill Hagel		hagelb@shaw.ca
Corwin Hiebert		corwin@live.ca
Christopher Hare		chris@hare100.co.uk
Michael Braid		mbraid@stowford.vispa.com
Patrick Hare		patrickhare44@gmail.com
Stremco Engineering Ltd. Henry Strembicke		stremco@telusplanet.net

Keith MacLean		keith@bluemooncourt.ca Quantum Murray Limited Partnership Brenntag Canada Inc.
Olivier Pakos		ecm@ecm.ab.ca EC & M Electric 1934 Ltd.
Burnet, Duckworth & Palmer LLP 2400, 525 - 8th Avenue SW Calgary, AB, T2P 1G1 Mike Donaldson David de Groot David LeGeyt		mjd@bdplaw.com ddegroot@bdplaw.com MFC Energy Finance dlegeyt@bdplaw.com 1049597 BC Ltd.
Unique Scaffold Inc. 4750-104 Avenue SE Calgary, AB T2C 2H3		
Walsh LLP 2800, 801-6 Avenue SW Calgary, AB T2P 4A3 Benjamin Kormos Curtis Marble		bkormos@walshlaw.ca cmarble@walshlaw.ca Clean Harbours Production Services ULC
Alberta Treasury Board Government of Alberta Haripaul Pannu	780-415-8677	haripaul.pannu@gov.ab.ca
Counsel West Law 200 Rivercrest Dr SE Calgary, AB T2C 4G4 Maggie Kakuk Collin Simmons		mkakuk@counselwest.com csimmons@counselwest.com Counsel for 1724732 Alberta Ltd.
Norton Rose Fulbright 400 3 Ave SW, Calgary, AB T2P 4H2 Howard Gorman Meghan Parker		Howard.Gorman@nortonrosefulbright.com meghan.parker@nortonrosefulbright.com
Warren Benson Amantea LLP 1413-2nd Street SW Calgary, AB T2R 0W7 Robert A. Benson		benson@wbalaw.ca
Alberta Justice and Solicitor General Department of Energy Peter Ciechanowski Kenneth Whitelaw	Phone: 780- 422-8085 Fax: 780-427- 1871	piotr.ciechanowski@gov.ab.ca kenneth.whitelaw@gov.ab.ca Counsel for Alberta Energy
Worley Parsons 400S, 8500 Macleod Trail SE Calgary, AB T2H 2N1	Phone: 403- 258-8000 Fax: 403-258- 5899	Frank.morison@worleyparsons.com
4500 Bankers Hall East 855 2nd Street SW Calgary, AB T2P 4K7 Alexis Teasdale		teasdalea@bennettjones.com Counsel for Sheftel and Paperny

Dentons Canada LLP 15th, 850 - 2nd Street SW Calgary, AB T2P 0R8 Derek Pontin		derek.pontin@dentons.com Counsel for EPCOR
Farmers' Advocate Office of Alberta 100, 7000-113 Street, Edmonton, AB, T6H 5T6 Michele Del Colle		Michele.Delcolle@gov.ab.ca Counsel for Farms' Advocate Office (Surface Rights Owners)
1195714 Alberta Ltd.(Pembina) Lai Chen		lchen@pembina.com
Atco Energy Solutions Ltd. Elaine Arruda		elaine.arruda@atco.com
Blackpearl Resources Inc. Greg Currie/Russ Avisun		greg.currie@pxx.ca / russ.avisun@pxx.ca
Canadian Natural Resources Limited Orest Kotelko		orest.kotelko@cnrl.com
ConocoPhillips Canada Resources Corp Sean Ezekiel		sean.k.ezekiel@conocophillips.com
Encana Corporation Robert Thompson		Robert.thompson@encana.com
Alta Gas Ltd. Chuck Lyons		charles.lyons@altagas.ca
ATCO Gas and Pipelines Ltd. Vin Peng		vin.peng@atco.com
PetroChina Canada Ltd. Devin Newman		devin.newman@brionenergy.com
Cenovus Fccl Ltd. Mark Grant		mark.grant@cenovus.com
Devon Canada Corporation Robert Boyce		robert.boyce@dvn.com
Imperial Oil Resources Limited/ExxonMobil Canada Melissa Wade		melissa.wade@esso.ca
Arc Resources Ltd. Mark Roblin		mroblin@arcresources.com
Athabasca Oil Corporation Dawn Fark		dfark@atha.com
Bonavista Energy Corporation Colin Hennel		colin.hennel@bonavistaenergy.com
Clearbrook Resources Inc. Jorgen Van Beurden		jvanbeurden@clearbrookresources.com
Direct Energy Marketing Limited (Centrica/Canlin) Catherine Hiscocks		catherine.hiscocks@canlinenergy.com
Husky Oil Operations Limited Don Lemna		don.lemna@huskyenergy.com

Interpipeline Ltd. Sonja Zubcic		sonja.zubcic@interpipeline.com
Nal Resources Limited Cam Selmer		cselmer@nal.ca
Paramount Resources John Hawkins		john.hawkins@paramountres.com
Repsol Oil & Gas Canada Inc. Darren Stokes		dstokes@repsol.com
Sinopec Daylight Energy Ltd Dan Baumgarten		dan.baumgarten@sinopeccanada.com
Taq North Ltd. Michael Bolianatz		michael.bolianatz@taqa.ca
West Lake Energy Corp. Dustin Sengaus		dsengaus@westlakeenergy.ca
Keyera Energy Ltd. Kerri Gilders		kerri_gilders@keyera.com
Nexen Energy ULC Greg Denham		greg.denham@nexencnooclt.com
Pengrowth Energy Corporation Shawn Jesse		shawn.jess@pengrowth.com
Semcams ULC Ryan Cameron		rcameron@semgroupcorp.com
Suncor Energy Inc. Mike Morden/ Cory Aikins		mmorden@suncor.com / caikins@suncor.com
Tidewater Midstream and Infrastructure Ltd. John Bell		jbelle@tidewatermidstream.com
EPAC Gary Leach		gleach@explorersandproducers.ca
Meg Energy Corp. Richard Sendall		richard.sendall@megenergy.com
Obsidian Energy Ltd. Steve Sterling		steve.sterling@obsidianenergy.com
Plains Midstream Canada Andrew Fisher		andrew.fisher@plainsmidstream.com
Shell Canada Limited Darren Mason		darren.mason@shell.com
Tamarack Acquisition Corp. Brian Schmidt		brian.schmidt@tamarackvalley.ca
Veresen Midstream General Partner Inc. Fiona Faucher		fionafaucher@veresenmidstream.com
CAPP Richard Wong / Paul Hartzheim		richard.wong@capp.ca / paul.hartzheim@capp.ca
Sayer Energy Advisors Alan Tambosso / Tom Pavic		Tpavic@sayeradvisors.com atambosso@sayeradvisors.com

Schedule "B" Form of Order: Various Relief

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**

Clerk's Stamp

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Robyn Gurofsky
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9774/9715
Facsimile: (403) 266-1395
Email: rgurofsky@blg.com
File No. 547730/000021

DATE ON WHICH ORDER WAS PRONOUNCED: June 7, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice B.E. 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 Eighth Report of the Receiver, dated May 28, 2018 (the "**Eighth Report**") and the Confidential Appendices to the Eighth Report (the "**Confidential Appendices**") 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 the consent receivership order granted on June 13, 2017 (the "**Expanded Receivership Order**", sometimes referenced herein with the Lexin Receivership Order as the "**Receivership Orders**"); **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.

Sealing Order

1. The Confidential Appendices shall be sealed on the Court file, kept confidential and not form part of the public record. The Clerk of the Court shall file the Confidential Report in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS THE CONFIDENTIAL APPENDIX TO THE RECEIVER'S EIGHTH REPORT, DATED May 28, 2018, FILED IN COURT FILE NO. 1701-03460, WHICH SHALL BE SEALED UNTIL FURTHER ORDER OF THE COURT, PURSUANT TO AN ORDER ISSUED BY THE HONOURABLE JUSTICE B.E. ROMAINE ON JUNE 7, 2018, AND IS NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICLY ACCESSIBLE.

2. The Receiver is empowered and authorized, but not directed, to provide the Confidential Appendices (or any portion thereof, or information contained therein) to any interested party, entity or person that the Receiver considers reasonable in the circumstances, subject to confidentiality arrangements satisfactory to the Receiver.
3. Leave is hereby granted to any person or party affected by this Order to apply to this Honourable Court for a further order modifying or varying the terms of this Order, with such Application to be brought on no less than 7 days' notice to the Receiver and any other affected party pursuant to the Alberta Rules of Court.

Partial Discharge

2. The Receiver is partially discharged from any and all obligations derived from the Receivership Orders or otherwise in respect of the licenses set out in Appendix 3 of the Eighth Report (the "Licenses").

3. The Receiver shall not be liable for any act or omission on its part in respect of the Licenses, including without limitation, any act or omission pertaining to the discharge of its duties in respect of the Licenses in the within proceedings, save and except for any liability arising out of any gross negligence or wilful misconduct on its part, or with leave of the Court. Subject to the foregoing, any claims against the Receiver in respect of the Licenses, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission of the Receiver in any way relating to or arising out of or in respect of the performance of its duties regarding the Licenses, are hereby stayed, released, extinguished and forever barred.
4. No action or other proceeding shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver of the Licenses, except with prior leave of this Court on notice to the Receiver and upon such terms and this Court may direct.
5. Nothing in this order shall derogate from the terms or protections ordered with respect to the Receiver in the Receivership Orders, including but not limited to the fact that the Receiver is neither in possession or physical control of the Licenses.

Engagement and Listing Agreements

6. The Millenia Engineering engagement letter, appended to the Eighth Report at Appendix 4 (the unredacted version being Confidential Appendix 9), is hereby approved and the Receiver is authorized and directed to engage Millenia Engineering and to take all such necessary steps to complete such engagement, in accordance with the terms of the engagement letter and pursuant to paragraph 5(d) of the Expanded Receivership Order.
7. The Energy Auctions engagement letter, appended to the Eighth Report at Appendix 5 (the unredacted version being Confidential Appendix 10), is hereby approved and the Receiver is authorized and directed to engage Energy Auctions and to take all such necessary steps to complete such engagement, in accordance with the terms of the engagement letter and pursuant to paragraph 3(d) of the Lexin Receivership Order.
8. The Remax Southern Realty Listing Agreement, appended to the Eight Report at Appendix 6 is hereby approved and the Receiver is authorized and directed to engage Remax Southern Realty and to take all such necessary steps to complete such engagement , in accordance with the listing agreement and pursuant to paragraph 5(d) of the Expanded Receivership Order.

Approval of Activities & Fees

9. The Receiver's activities as set out in the Eighth Report are hereby approved.
10. The Receiver's accounts for fees and disbursements, as set out in the Eighth Report, are hereby approved without the necessity of a formal passing of its accounts.
11. The accounts of the Receiver's legal counsel, Borden Ladner Gervais LLP, for its legal fees and disbursements, as set out in the Eighth Report, are hereby approved without the necessity of a formal passing of its accounts.

Justice of the Court of Queen's Bench of Alberta