

Clerk's Stamp

**CLERK OF THE COURT
FILED**

APR 03 2017

**JUDICIAL CENTRE
OF CALGARY**

COURT FILE NUMBER	1701-03460
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ALBERTA ENERGY REGULATOR
RESPONDENT	LEXIN RESOURCES LTD.
PROCEEDING	APPLICATION BY RECEIVER: ADVICE & DIRECTIONS FOR HEALTH & SAFETY RECORDS
DOCUMENT	AFFIDAVIT
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	GROIA & COMPANY Professional Corporation ■ Lawyers 365 Bay Street, Suite 1100 Toronto, Ontario M5H 2V1 Fax: 416-203-9231 Joseph Groia, LSUC # 20612J Tel: 416-203-4472 Tatsiana Okun, LSUC # 60421R Tel: 416-203-4489

AFFIDAVIT OF TATSIANA OKUN
sworn on April 3, 2017

I, TATSIANA OKUN, of the City of Toronto in the province of Ontario, MAKE OATH and
SAY AS FOLLOWS:

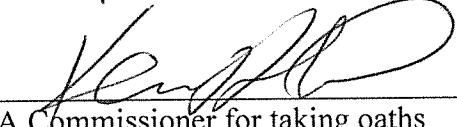
1. I am a lawyer with Groia & Company Professional Corporation ("Groia & Company"),
counsel for Lexin Resources Ltd. ("Lexin") and as such I have personal knowledge of the

facts and matters hereafter deposed to save and except where the same are stated to be made on information and belief and where so stated I verily believe the same to be true.

2. On February 15, 2017, Groia & Company wrote to the Alberta Energy Regulator (the “AER”) regarding privileged records of Lexin and proposed to work with the AER to find a process for a records review. Attached hereto and marked as **Exhibit “A”** to my Affidavit is a copy of that letter, dated February 15, 2017.
3. On March 1, 2017, after Jonathan Sinclair, an investigator with the AER Major Investigations Team reached out to a former employee of Lexin, Groia & Company wrote an email to Mr. Sinclair, a copy of which is attached hereto and marked as **Exhibit “B”** to my Affidavit.
4. On March 6, 2017, legal counsel for the AER responded to Groia & Company by email, a copy of which is attached hereto and marked as **Exhibit “C”** to my Affidavit.
5. On March 7, 2017, Groia & Company received two emails from the AER: (1) from Greg Jones, Investigations Manager with the AER Major Investigations Team and (2) Cory McLaughlin, Investigator with the AER Major Investigations Team. Copies of these emails with their original attachments are attached hereto and marked as **Exhibits “D”** and **“E”** to my Affidavit.
6. On March 8, 2017, Groia & Company wrote to the AER in response to these communications, among other things, asking to advise what measures the AER had taken to protect the rights of the individuals subject to the AER’s investigation. Attached hereto and marked as **Exhibit “F”** to my Affidavit is a copy of that letter, dated March 8, 2017.

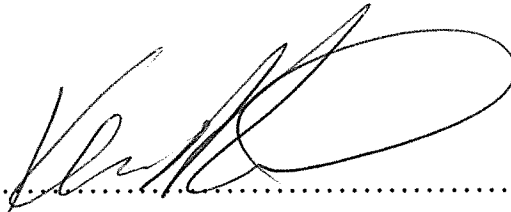
7. On March 21, 2017, Groia & Company followed up with the AER by email regarding its March 8th communication. A copy of that email is attached hereto and marked as **Exhibit "G"** to my Affidavit.
8. On March 22, 2017, the AER responded in a letter advising that with respect to the issue of privilege and potential review of Lexin's records they were "reviewing the circumstances having regard to the recent appointment of the receiver". Attached hereto and marked as **Exhibit "H"** to my Affidavit is a copy of that letter.

SWORN BEFORE ME at Toronto,
in the province of Ontario
on April 3, 2017


A Commissioner for taking oaths
KEVIN RICHARD


TATSIANA OKUN

This is Exhibit "A" referred to in the
affidavit of Tatsiana Okun
sworn before me, this 3rd
day of April, 2017

A handwritten signature in black ink, appearing to read "Kevin Richard", written over a horizontal dotted line.

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

KEVIN RICHARD

February 15, 2017

VIA EMAIL (*Alanda.Allum@aer.ca*)

Alberta Energy Regulator
Calgary Head Office
Suite 1000, 250-5 Street SW
Calgary, Alberta T2P 0R4

Attention: Alanda Allum, Director, Oil & Gas

Dear Ms. Allum:

RE: Lexin Resources Ltd.

We are counsel to Lexin Resources Ltd. ("Lexin"). We have now had an opportunity to speak with our client with respect to the "Direction Regarding Inspection of Lexin Resources Ltd. (Lexin) Records and Licensed Sites dated February 14, 2017" (the "Inspection Direction"). We write without prejudice to any position we may take in the future regarding the legality of the Inspection Direction.

We understand that pursuant to the Inspection Direction, representatives of the Alberta Energy Regulator ("AER") attended at the Mazeppa Gas Plant on February 14, 2017 for purposes of, among other things, seizing documents and records, including electronic devices. Specifically, we understand that a large volume of records were placed in bags and marked as "evidence" by the AER representatives.

We have a serious concern that privileged records may be included in the seized records. We are hereby asserting a claim of privilege on behalf of Lexin over the seized records and insist that no steps be taken by the AER that could violate this claim.

We note that the Inspection Direction explicitly states that the "inspection activities and copying of any records by persons authorized by the AER will be undertaken without prejudice to any privilege claims that Lexin wishes to make in the future, and persons authorized by the AER, including the Orphan Well Association, will keep a schedule of all records collected or copied during the course of the inspection". Please provide a copy of the schedule immediately.

We are prepared to work with the AER to find a process which protects Lexin's right to assert privilege over certain records. This process needs to be agreed upon and implemented before any

of the privilege records are copied, reviewed by the AER and/or leave the Mazeppa Gas Plant premises.

We look forward to hearing from you to address this issue.

Yours truly,

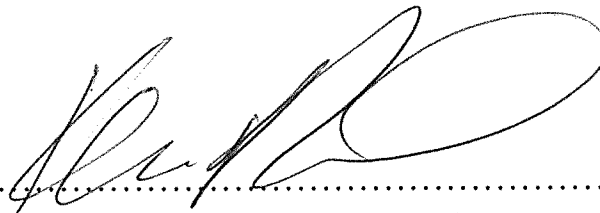
A handwritten signature in black ink, appearing to read 'Bonnie Roberts Jones', with a stylized, flowing script.

Bonnie Roberts Jones

/sf

cc.: Christa Nicholson (via email: nicholsonc@jssbarristers.ca)
Jonathan Sinclair (via email: jonathan.sinclair@aer.ca)

This is Exhibit "B" referred to in the
affidavit of Tatsiana Okun
sworn before me, this 3rd
day of April, 2017

A handwritten signature in black ink, appearing to read "Kevin Richard", written over a horizontal dotted line.

.....
A COMMISSIONER FOR TAKING AFFIDAVITS
KEVIN RICHARD

Tatsiana Okun

From: Tatsiana Okun <tokun@groiaco.com>
Sent: March-03-17 10:47 AM
To: Jonathan.Sinclair@aer.ca
Cc: Patricia Johnston; Bonnie Roberts Jones
Subject: Lexin's records

Dear Mr. Sinclair,

We are in receipt of your email to Ms. Tetz from March 1, 2017.

As you are aware, we are waiting for your response to our request for a protocol on dealing with privileged documents. We have not yet heard from you on that. In the absence of such a protocol in place, Lexin is not in the position to provide further access to the documents you have requested.

With respect to the records in an outside storage, we can advise that Lexin presently has no access to its records kept in storage due to an ongoing dispute with a storage provider.

Lastly, as advised by Ms. Roberts Jones when you met with her in person, we would appreciate if you could direct all enquiries in relation to this matter to our attention.

Best regards,

Tatsiana Okun

Groia & Company
Professional Corporation • Lawyers
Direct: 416-203-4489
tokun@groiaco.com

From: Jonathan Sinclair
To: sltetz@shaw.ca
Cc: Cory McLaughlin
Sent: Wednesday, March 01, 2017 1:08 PM
Subject: Lexin offices

Hey Sheena,

I believe we had met previously when I attended the office located at 1207-11 Ave SW, Suite 300.

I am wondering if you still had the key to access your old office? The AER requires the documents that have been left in that space.

Also have you guys moved out of the space at 300, 404 6 Ave SW?

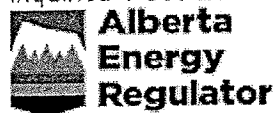
I would like to meet with you so we can discuss about the records and computers, and what records have been moved to a storage facility.

Thanks for your assistance in this matter,

Jonathan Sinclair, B.Sc.
Investigator, Major Investigations Team

Alberta Energy Regulator
e jonathan.sinclair@aer.ca tel 403-297-6959 cell 403-826-4806 fax 403-297-3520
Suite 1000, 250 – 5 Street SW, Calgary, Alberta T2P 0R4

inquiries 1-855-297-8311 24-hour emergency 1-800-222-6514 www.aer.ca



This is Exhibit“C”..... referred to in the
affidavit ofTatsiana Okun.....
sworn before me, this3rd.....
day ofApril, 2017.....

.....
A COMMISSIONER FOR TAKING AFFIDAVITS
KEVIN RICHARDS

Tatsiana Okun

From: Keely Cameron <Keely.Cameron@aer.ca>
Sent: March-06-17 9:05 PM
To: Tatsiana Okun; Bonnie Roberts Jones
Cc: Jonathan Sinclair; Patricia Johnston
Subject: RE: Lexin's records

Ms. Okun,

I apologize for the delay in response, I have been out of the office and we were under the impression that you were going to provide a proposal for the protocol. I would propose the following, you can advise as to what documents you are claiming privilege over and that basis for the claim. Should we dispute any of the claims and no resolution can be reached we can refer the matter to the court.

Keely Cameron
AER Legal Counsel

From: Tatsiana Okun [<mailto:tokun@groiaco.com>]
Sent: Friday, March 03, 2017 8:47 AM
To: Jonathan Sinclair
Cc: Patricia Johnston; Bonnie Roberts Jones
Subject: Lexin's records

Dear Mr. Sinclair,

We are in receipt of your email to Ms. Tetz from March 1, 2017.

As you are aware, we are waiting for your response to our request for a protocol on dealing with privileged documents. We have not yet heard from you on that. In the absence of such a protocol in place, Lexin is not in the position to provide further access to the documents you have requested.

With respect to the records in an outside storage, we can advise that Lexin presently has no access to its records kept in storage due to an ongoing dispute with a storage provider.

Lastly, as advised by Ms. Roberts Jones when you met with her in person, we would appreciate if you could direct all enquiries in relation to this matter to our attention.

Best regards,

Tatsiana Okun

Groia & Company
Professional Corporation ▪ Lawyers
Direct: 416-203-4489
tokun@groiaco.com

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This is Exhibit "D" referred to in the
affidavit of Tatsiana Okun
sworn before me, this 3rd
day of April, 2017

.....
A COMMISSIONER FOR TAKING AFFIDAVITS
KEVIN RICHARD

From: Greg Jones <Greg.Jones@aer.ca>
Sent: March 7, 2017 6:36 PM
To: tokun@groiacoco.com
Cc: Jonathan Sinclair; Brian Temple
Subject: Seizure Receipt and Privilege
Attachments: Scanned from a Xerox Multifunction Device.pdf

Good afternoon Ms. Okun,

I am addressing this email to you as you have identified yourself as the contact for Lexin in these matters. Please find attached a seizure receipt of materials that were seized at 300, 1207-11 Avenue SW Calgary. These materials were seized under powers provided by section 204 of the Environmental Protection and Enhancement Act. Please note, given your expressed concerns regarding records with potential "Privilege", these documents were in plain sight and immediate seals and secured without the review of their content. These documents will remain sealed and secured until Lexin has had the opportunity to claim privilege over specific records.

The AER would like to schedule a time for Lexin to identify documents and information they are claiming privilege over, and what kind of privilege. Documents and information that Lexin claims privilege over will be sealed, secured, and isolated from the documents and information that have no privilege claimed. The next steps will then be to establish a process to assess the privilege claim over each document.

Please provide us with a date, within the next two weeks, that you would be available to view the records at the AER office and address your concerns regarding privilege.

Sincerely,

Greg Jones, RPF
Investigations Manager, Major Investigations Team

Alberta Energy Regulator
e greg.jones@aer.ca tel 780-644-5504 cell 780-222-2096
205 Twin Atria Building, 4999-98 Avenue, Edmonton, Alberta, T6B2X3

inquiries 1-855-297-8311 24-hour emergency 1-800-222-6514 www.aer.ca

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Seizure Receipt

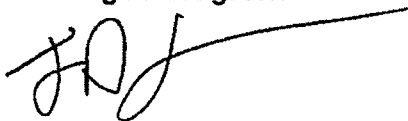
I, Jonathan Sinclair, being an Investigator under the *Environmental Protection and Enhancement Act* and, pursuant to section 204 of the *Environmental Protection and Enhancement Act*, have seized the items listed below.

INFORMATION	
Investigation File No:	2016 - 015
Location of Seizure:	Suite 300 1207 - 11 Avenue SW Calgary
Seizure Date:	March 07, 2017
Company Name:	Lexin Resources Ltd.
Company Contact Name:	
Justification for Seizure:	Grounds to believe that the records may contain evidence related to an offence under the Environmental Protection and Enhancement Act.

ITEMS SEIZED		
Item No.	Quantity	Item(s) Description (i.e., make, model, serial nos., size, color, marks, etc.)
B 1	1	Brown envelope, 14.75 X 9.5 inches, sealed, dated, signed, evidence tape
B 2	1	Brown envelope, 14.75 X 9.5 inches, sealed, dated, signed, evidence tape
B 3	1	Brown envelope, 14.75 X 9.5 inches, sealed, dated, signed, evidence tape
B 4	1	Brown envelope, 16.0 X 12 inches, sealed, dated, signed, evidence tape
B 5	1	Brown envelope, 14.75 X 9.5 inches, sealed, dated, signed, evidence tape
B 6	1	Brown envelope, 16.0 X 12 inches, sealed, dated, signed, evidence tape
B 7	1	Brown envelope, 18.0 X 15 inches, sealed, dated, signed, evidence tape
B 8	1	Brown envelope, 18.0 X 15 inches, sealed, dated, signed, evidence tape
B 9	1	black garbage bag containing records from recycle bin
see next page for continuation of Items Seized		

☒ Seized item(s) removed from location of seizure
 ☐ Seized item(s) detained in location of seizure

Signature of Seizing Investigator:





Signature of Seizing Investigator:

Page 2 of 2

This is Exhibit "E" referred to in the
affidavit of Tatsiana Okun
sworn before me, this 3rd
day of April, 2017

.....
A COMMISSIONER FOR TAKING AFFIDAVITS
KEVIN RICHARD

From: Cory McLaughlin <Cory.McLaughlin@aer.ca>
Sent: March 7, 2017 6:47 PM
To: 'tokun@groiaco.com'
Cc: Jonathan Sinclair
Subject: Seizure Receipt - March 3, 2017
Attachments: 201703060000_DOC_Repaired Seizure Receipt to Deloitte and CCE_CM.pdf

Hello Ms. Okun,

Please find attached a seizure receipt for computer servers and equipment once located at offices leased by Lexin Resources Ltd. at 700, 850-2nd St. SW in Calgary, Alberta. These items were seized under section 204 of the *Environmental Protection and Enhancement Act* by the Alberta Energy Regulator on March 3, 2017.

The contents of the servers have not been examined by AER investigators. If and when AER investigators do gain access to the computer servers, Lexin will have an opportunity to claim privilege on any information contained in the servers prior to examination by AER investigators.

If you have any questions or concerns, do not hesitate to contact me.

Respectfully,

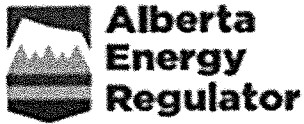
Cory McLaughlin
Investigator, Major Investigations Team

Alberta Energy Regulator
e cory.mclaughlin@aer.ca tel 780-641-9029 fax 780-644-1459
205 Twin Atria Building, 4999-98 Avenue, Edmonton, Alberta, T6B2X3

inquiries 1-855-297-8311 24-hour emergency 1-800-222-6514 www.aer.ca

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This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.



Seizure Receipt

I, **Cory McLaughlin**, being an Investigator under the *Environmental Protection and Enhancement Act* and, pursuant to section 204 of the *Environmental Protection and Enhancement Act*, have seized the items listed below.

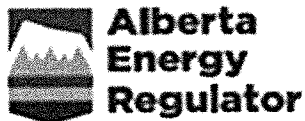
INFORMATION	
Investigation File No:	2016-015
Location of Seizure:	Graham Auctions warehouse, 4381 84 St., NE, Calgary, AB
Seizure Date:	March 3, 2017
Company Name:	Consolidated Civil Enforcement Inc./Deloitte Management Services LP
Company Contact Name:	Curtis Gerein (Consolidated)/Thomas Gusa (Miller Thomson)
Justification for Seizure:	There are grounds to believe that the computer servers may contain evidence related to an offence under the Environmental Protection and Enhancement Act.

ITEMS SEIZED		
Item No.	Quantity	Item(s) Description (i.e., make, model, serial nos., size, color, marks, etc.)
A1	1	LANDesk Security Appliance, model LDMG1000-001, ser.# 2012-216574
A2	1	Brocade Communications Systems DS-300B fibre switch, ser.# BRCALJ2504H0DZ
A3	1	EMC2 DS-4700M fibre switch, ser.# MC51001366R
A4	1	EMC2 DS-4700M fibre switch, ser.# MC51001372R
A5	1	EMC2 KTN-STL4 disk array, six ser. #'s. , we picked one in top left corner on back ser.# FCNCH101700016, contains 15 disk drives
A6	1	EMC2 KTN-STL4 disk array, six ser. #'s. , we picked one in top left corner on back ser.# FCNCH101101895, contains 2 100GB disk drives and 6 200GB disk drives
see next page for continuation of Items Seized		

☒ Seized item(s) removed from location of seizure ☐ Seized item(s) detained in location of seizure

Signature of Seizing Investigator:

Cory McLaughlin
cn=Cory McLaughlin, o=Alberta Energy
Regulator, ou=Environment & Operational
Performance,
email=cory.mclaughlin@aer.ca, c=CA
2017.03.06 08:59:47 -07'00'



Seizure Receipt (cont.)

ITEMS SEIZED		
Item No.	Quantity	Item(s) Description (i.e., make, model, serial nos., size, color, marks, etc.)
A7	1	EMC2 KTN-STL4 disk array, six ser. #'s. , we picked one in top left corner on back ser.# FCNCH062600251, contains 15 300GB disk drives
A8	1	EMC2 KTN-STL4 disk array, six ser. #'s. , we picked one in top left corner on back ser.# FCNCH063306315, contain 15 300GB disk drives
A9	1	EMC2 KTN-STL3 disk array, six ser. #'s. , we picked one in top left corner on back ser.# FCNLC114900791, contains 15 1TB disk drives
A10	1	EMC2 KTN-STL4 disk array, six ser. #'s, we picked one in top left corner on back ser.# FCNLC102300052, contains 5 146GB and 10 600GB disk drives
A11	1	EMC2 KTN-STL4 disk array, six ser. #'s, we picked one in top left corner on back ser.# FCNLC102100655, contains 15 600GB disk drives
A12	1	Powerware RPM-3U power module, ser.# TB305A0512
A13	1	Powerware RPM-3U power module, ser.# TB305A0511
A14	1	Powerware RPM-3U power module, ser.# TB305A0513
A15	1	Sensaphone IMS-4000 environmental control module, ser.#/MAC address IMS-4001 00:E0:4B;23:A2:AB, cable attached with tape
A16	1	Avocent DSR2035 KVM switch, ser.# 0210185188
A17	1	Avocent keyboard and display, ser.# ECS17PWRSCS49080266
A18	1	HP ProLiant DL360 server, ser.# USM61103A9
A19	1	Cisco Catalyst 3750-E network switch, housing ser. # FD01315R14X
A20	1	Cisco Catalyst 3750-E network switch, housing ser.# FD01314R0S1
A21	1	Cisco Catalyst 3750-E network switch, housing ser.# FD01314R0RV
A22	1	Cisco Catalyst 3750-E network switch, housing ser.# FD01315R15D
A23	1	Cisco Catalyst 3750-E network switch, housing ser.# FD01315R0FK
A24	1	Cisco Catalyst 3750-E network switch, housing ser.# FD01315R14G
A25	1	Cisco 4400 wireless LAN controller, ser.# F0C1321F0AJ
A26	1	Cisco 2900 Series router, ser.# FGL152311BQ
see next page for continuation of Items Seized		

Signature of Seizing Investigator:

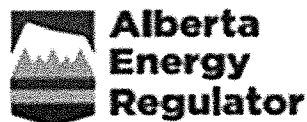
Cory McLaughlin
cn=Cory McLaughlin, o=Alberta Energy
Regulator, ou=Environment & Operational
Performance,
email=cory.mclaughlin@aer.ca, c=CA
2017.03.06 09:01:07 -07'00'

Seizure Receipt (cont.)

ITEMS SEIZED		
Item No.	Quantity	Item(s) Description (i.e., make, model, serial nos., size, color, marks, etc.)
A27	1	Cisco Catalyst 3750G network switch, ser.# F0C1038Y324
A28	1	Cisco Catalyst 3750G network switch, ser.# F0C1038Z2Q5
A29	1	SONICWALL NSA 4500 network security appliance, ser.# 0017C5152F0C
A30	1	SONICWALL NSA 4500 network security appliance, ser.# 0017C5162F44
A31	1	HP ProLiant DL360 G5 server, ser.# MXQ803A78B
A32	1	IBM xSeries 345 server, ser.# KP-BTXF9
A33	1	Intel Server Systems SR1530SH server, ser.# QSH00100321
A34	1	Bosch Basis DiBos, ser.# 084004598500003432
A35	1	EMC2 DS-300B fibre switch, ser.# BRCALJ2504H0FH
A36	1	IBM x3690x5 server, ser.# 06B9000
A37	1	IBM x3690x5 server, ser.# 06B8274
A38	1	IBM x3690x5 server, ser.# 06B8325
A39	1	IBM x3650m4 server, ser.# KQ5DA22
A40	1	IBM x3550 server, ser.# 99W8471
A41	1	HP DC7700 desktop computer, ser.# CAC7240364
A42	1	Cisco Redundant Power System 2300, ser.# FD01316SGAH
A43	1	EMC2 Storage Processor unit, ser.# CF2J1102900021
A44	1	EMC2 1200 CX power supply, ser.# AC184100902171 and AC184100902197
A45	1	EMC2 Storage processor unit, ser.# CF2G8102400059
A46	1	DataDomain DD640 disk array, ser. # TWGA31A303W, contains 12 1TB disk drives
A47	1	IBM x3850x5 server, ser.# 06H6970
A48	1	Server rack, ser.# 090000005374
A49	1	Server rack, ser.# 090000005377
A50	1	HP 300GB hard drive in box, ser.# 3KR33PSB
A51	1	Box containing 5 IT User Manual (titled "Compton Petroleum", assorted hardware
		manuals, telephone
see next page for continuation of Items Seized		

Signature of Seizing Investigator:


Cory McLaughlin
 cn=Cory McLaughlin, o=Alberta Energy
 Regulator, ou=Environment & Operational
 Performance,
 email=cory.mclaughlin@aer.ca, c=CA
 2017.03.06 09:02:02 -07'00'



Seizure Receipt (cont.)

ITEMS SEIZED		
Item No.	Quantity	Item(s) Description (i.e., make, model, serial nos., size, color, marks, etc.)
A52	1	Server rack, ser.# 001579
A53	1	Server rack, ser.# 070000023715
A54	1	Box of assorted cables and cords
A55	1	Server rack, ser.# 090000005375
A56	1	Box of assorted cables and cords
A57	1	Box of assorted cables and cords
A58	1	Server rack, ser.# 090000005376
A59	1	HP 300GB hard drive, ser.#3KR31Y0Q
A60	1	Plastic storage container with 3 drawers, contains empty boxes, assorted cables, and a Compaq hard drive, ser.# 3FD0JQZ2
A61	1	Plastic storage container with 7 drawers, contains assorted cables and cords, antennas, plastic hardware, hardware user manuals, a Western Digital hard drive, ser.# WMADK1427718, WDElements 320 GB portable hard drive, ser.# WXD1EC0DWV38
A62	1	Large box containing a large number of networking cables and a large number of server rack hardware, 1 Lenova keyboard ser.# 0001500, a Lenova mouse, 1 MultiModem ser.# 14551454
A63	1	Box of assorted cables, cords, and miscellaneous hardware
A64	1	Cisco Aironet 1300 wireless bridge, ser.# FTX1305U09E
A65	1	Box of ethernet cables
A66	1	Box of fibre cables
A67	1	Box of power cables
A68	1	Box of cables and miscellaneous network hardware
A69	1	Box of faceplates and 1 Juniper Junos Pulse Gateway VPN ser.# CMMC510CRA
see next page for continuation of Items Seized		

Signature of Seizing Investigator:

Cory McLaughlin
cn=Cory McLaughlin, o=Alberta Energy
Regulator, ou=Environment & Operational
Performance,
email=cory.mclaughlin@aer.ca, c=CA
2017.03.06 09:18:18 -07'00'

NOTE: Items A63 to A69 seized
from a storage container at
Graham Auctions to the west
of the main office

This is Exhibit "F" referred to in the
affidavit of Tatsiana Okun
sworn before me, this 3rd
day of April, 2017

.....
A COMMISSIONER FOR TAKING AFFIDAVITS
KEVIN RICHARD



Bonnie Roberts Jones
Direct Line: 416-203-4476
Email: brjones@groiaco.com

March 8, 2017

VIA EMAIL (*Keely.Cameron@aer.ca*)

Keely Cameron
Legal Counsel
Alberta Energy Regulator
Suite 1000, 250 – 5th Street S.W.
Calgary, Alberta
T2P 0R4

Dear Ms. Cameron:

Re: Lexin Resources Ltd. (“Lexin”)

We write in response to your email of March 6, 2017 and emails we received yesterday, March 7, 2017, from Greg Jones, Investigations Manager and Cory McLaughlin, Investigator with the AER Major Investigations Team.

In your email, you proposed a protocol for privilege review of Lexin’s records which would consist of our firm advising the AER as to what documents Lexin claims privilege over and on what basis. It is unclear to us whether your proposed protocol provides Lexin with the opportunity to first review the documents the AER intends to inspect. Please confirm that Lexin will be given this opportunity prior to any inspection of the documents by the AER.

From Mr. Jones’ and Mr. McLaughlin’s emails, we understand that the AER Major Investigations Team has seized records and computer servers from Lexin’s former premises, which records have been sealed and not examined by the investigators. We will advise you on our availability to attend for review of these physical and electronic records as soon as we confirm our travel plans for the next couple of weeks.

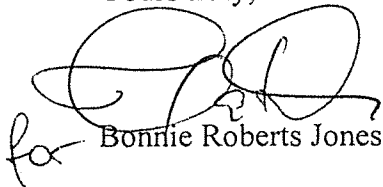
Please confirm that information obtained by way of inspection (as opposed to by way of investigation) is and will not be shared and/or used for the purposes of an investigation. The inspection powers pursuant to s. 96 of the *Oil and Gas Conservation Act* are separate and distinct from the investigatory powers granted pursuant to s. 69 of the *Responsible Energy Development Act* and Part 10 of the *Environmental Protection and Enhancement Act*. These two processes

carry discrete powers and engage distinct rights and responsibilities, calling for separation where they are carried out in parallel, so that individuals' rights are adequately protected.

We remind you of the *Charter of Rights and Freedoms* ("*Charter*") rights and protections that apply to those individuals who are subject to the AER's investigations. It is our understanding that the AER is conducting parallel processes of inspection and investigation, which we are concerned may overlap. As inspections and investigations carry very distinct sets of rights and protections for individuals, the overlap of the two processes will impermissibly expose the subjects of the inspection to penal liability without the full protection of their *Charter* rights.

Where your investigations could lead to penal liability, you are required to ensure that individuals are not compelled to testify and that the "full panoply" of *Charter* rights, such as the search and seizure rights in Section 8, are not violated by the conduct of the AER investigation. To the extent that the AER inspection power to compel individuals to cooperate overlaps with an investigation, this is of great concern. Please advise of the measures that the AER has taken to ensure that the rights of the individuals involved are protected. Until we are satisfied that these rights are protected, we cannot advise our client to further participate in the inspection or investigation processes.

Yours truly,


for Bonnie Roberts Jones

This is Exhibit "G" referred to in the
affidavit of Tatsiana Okun
sworn before me, this 3rd
day of April, 2017

.....
A COMMISSIONER FOR TAKING AFFIDAVITS
KEVIN RICHARD

Bonnie Roberts Jones

From: Bonnie Roberts Jones [brjones@groiaco.com]
Sent: March-21-17 2:57 PM
To: Keely Cameron
Subject: Correspondence re documentation
Attachments: Ltr to K Cameron - 08MAR17 (Lexin).pdf

Ms. Cameron,

May I please have a response to my correspondence of March 8, 2017, a copy of which is enclosed for your convenience.

Thanks and regards,

Bonnie Roberts Jones
Groia & Company



Bonnie Roberts Jones
Direct Line: 416-203-4476
Email: brjones@groiaco.com

March 8, 2017

VIA EMAIL (*Keely.Cameron@aer.ca*)

Keely Cameron
Legal Counsel
Alberta Energy Regulator
Suite 1000, 250 – 5th Street S.W.
Calgary, Alberta
T2P 0R4

Dear Ms. Cameron:

Re: Lexin Resources Ltd. (“Lexin”)

We write in response to your email of March 6, 2017 and emails we received yesterday, March 7, 2017, from Greg Jones, Investigations Manager and Cory McLaughlin, Investigator with the AER Major Investigations Team.

In your email, you proposed a protocol for privilege review of Lexin’s records which would consist of our firm advising the AER as to what documents Lexin claims privilege over and on what basis. It is unclear to us whether your proposed protocol provides Lexin with the opportunity to first review the documents the AER intends to inspect. Please confirm that Lexin will be given this opportunity prior to any inspection of the documents by the AER.

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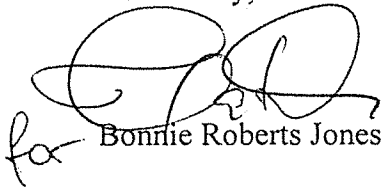
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Yours truly,


for Bonnie Roberts Jones

This is Exhibit "H" referred to in the
affidavit of Tatsiana Okun
sworn before me, this 3rd
day of April, 2017

.....
A COMMISSIONER FOR TAKING AFFIDAVITS
KEVIN RICHARD

Via Email: brjones@groiaco.com

March 22, 2017

Groia & Company Professional Corporation
Lawyers
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11th Floor, 365 Bay Street
Toronto, Ontario M5H 2V1

Calgary Head Office
Suite 1000, 250 – 5 Street SW
Calgary, Alberta T2P 0R4
Canada

www.aer.ca

Attention: Ms. Bonnie Roberts Jones

Dear Madam:

Re: Seizure of Records and Computer Servers

Further to your letters of March 8, 2017, and your e-mail of March 21, 2017, we can confirm the records and computer servers seized have been secured.

With respect to the issue of privilege and potential review of the records to assess that claim, we are reviewing the circumstances having regard to the recent appointment of the receiver.

We can further advise that the AER is aware of the rights and protections, including those provided under the Charter, that may apply to parties who are the subject of certain inquiries.

However, if you are representing any individuals, please advise who they are. We understand this information was previously requested, but a response has not been forthcoming from your office.

Yours truly,



Keely Cameron