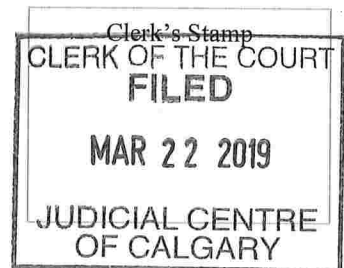


COURT FILE NUMBER **1701-03460**
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary
APPLICANT **ALBERTA ENERGY REGULATOR**
RESPONDENT **LEXIN RESOURCES LTD., 1051393 B.C.
LTD., 0989 RESOURCE PARTNERSHIP, LR
PROCESSING LTD. and LR PROCESSING
PARTNERSHIP**

DOCUMENT **APPLICATION BY RECEIVER**



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CONTACT INFORMATION OF
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 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 April 2, 2019
Time 10:00 a.m.
Where Calgary Courts Centre, 601-5th 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 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 authorizing the sale of Lexin’s interest in proprietary seismic data to Paramount Resources Ltd. (“**Paramount**”), vesting such seismic data to Paramount and sealing Confidential Appendices 5 and 7 to the Thirteenth Report (defined below), pursuant to the order substantially in the form attached as **Schedule “B”**;
 - (c) Approving and authorizing the sale of certain crown mineral leases in the Vulcan area to Wilcox Energy Corp. (“**Wilcox**”) and vesting such property to Wilcox pursuant to the order substantially in the form attached as **Schedule “C”**;
 - (d) Pursuant to the order substantially in the form attached as **Schedule “D”**:
 - (i) Authorizing the Receiver to transfer the Cargill Funds (as defined below) to the Receiver’s unrestricted trust account, for use by the Lexin Group estate;
 - (ii) Approving the Notice of Renunciation appended to the Thirteenth Report of the Receiver dated March 22, 2019 (the “**Thirteenth Report**”) as Appendix 9;
 - (iii) Approving the Receiver’s activities and conduct as outlined in the Thirteenth Report; and
 - (iv) Approving the professional fees and disbursements incurred by the Receiver and its legal counsel as outlined in the Thirteenth Report; and
 - (e) Such further and other relief as this Honourable Court may deem just in the circumstances.

Grounds for making this application:

2. The grounds for making this application are as set out in the Thirteenth 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.

Sale Approval

- (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 Sales Process has been underway with the assistance of the Receiver’s court-approved sales advisor, Sayer Energy Advisors. The Sales Process was extended in January 2019 to include certain additional assets, including but not limited to seismic data transferred back into the Lexin Group estate pursuant to a settlement agreement entered into with, *inter alia*, MFC Energy Finance Ltd. approved by the Court on November 27, 2018.
- (f) The Receiver has negotiated a purchase and sale agreement (the “**Paramount PSA**”) for the sale of Lexin’s interest in certain proprietary seismic data. As a result, the Receiver is seeking the Court’s permission to finalize the sale and transfer the seismic data to the proposed purchaser, as more particularly outlined in the Thirteenth Report. The Paramount PSA contains commercially sensitive information of the Lexin Group that if disseminated, could adversely affect the Sales Process should the Paramount PSA fail to close. The sealing order proposed is the least restrictive and prejudicial alternative to prevent dissemination of the Lexin Group’s commercially sensitive information and is fair and reasonable in the circumstances.
- (g) In addition, the Receiver has negotiated a purchase and sale agreement (the “**Wilcox PSA**”) for the sale of Lexin’s interest in certain crown mineral leases located in the Vulcan area. As a result, the Receiver is seeking the Court’s permission to finalize the sale and transfer the lease interests to the proposed purchaser, as more particularly outlined in the Thirteenth Report.
- (h) The Receiver considers both the Paramount PSA and the Wilcox PSA to be fair, reasonable and in the best interests of the Lexin Group’s stakeholders.

Cargill Funds

- (i) The Receiver previously reported in Prior Reports that it had collected approximately \$60,000 from Cargill Limited (the “**Cargill Funds**”) in respect of gas proceeds that prior management of Lexin had directed be sent to Austria.
- (j) The Receiver holds the Cargill Funds in a segregated trust account given that it was hopeful it would be in a position to determine claimants’ entitlement to such funds. Due to the poor condition of Lexin’s records and the fact that it ceased reporting in Petrinex in July, 2016, there is no practical way to determine the source of the Cargill Funds and any priority claimants who may claim them. As a result, and in the interest of efficiency, the Receiver is proposing to transfer the Cargill Funds to its general trust account for the benefit of the Lexin Group estate.

Notice of Renunciation

- (k) The Receiver has obtained a partial discharge from the Court with respect to a number of the Lexin Group’s licenses for which no offers were received or upon which an accretive sale was unable to be negotiated. There are a significant amount of additional unsaleable assets in the Lexin Group estate with large numbers of stakeholders. The Receiver intends to issue the Notice of Renunciation setting out in a schedule only those assets it intends to retain for the purposes of potential future sales (“Retained Properties”) so that stakeholders understand the status of their interests in these receivership proceedings and may pursue alternative remedies for those assets not contained on the Retained Properties schedule. The Notice of Renunciation is reasonable in the circumstances and in the best interests of the stakeholders to the Lexin Group estate.

- 3. Such further and other basis as Counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

- 4. The Thirteenth Report of the Receiver, dated March 22, 2019.
- 5. The pleadings and Receiver’s Prior Reports previously filed in these proceedings.
- 6. Such further and other evidence as counsel may advise and this Honourable Court permit.

Applicable rules:

- 7. *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
- 8. *Bankruptcy and Insolvency General Rules*, and in particular Rules 3, 6 and 11.
- 9. Such further and other rules as counsel may advise and this Honourable Court permit.

Applicable Acts and regulations:

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

Any irregularity complained of or objection relied on:

12. None.

How the application is proposed to be heard or considered:

13. In person before the Honourable Justice G. Campbell, 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.

TAB A

Schedule “A” Service List

COURT FILE NUMBER	1701-03460
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	Calgary
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RESPONDENT	LEXIN RESOURCES LTD.
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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
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Alberta Environment and Parks 1, 250 Diamond Avenue Spruce Grove, AB T7X 3B4 Chris Lien		Christine.lien@gov.ab.ca
Miles Davison LLP 900, 517 10th Ave SW Calgary, AB T2R 0A8 Charlie Spence		cspence@milesdavison.com Counsel for Wilcox Energy Corp.
Paramount Resources Ltd. Spencer Sinclair Loren Schmidt		Spencer.Sinclair@paramountres.com loren.schmidt@paramountres.com
Altalaw LLP 5233 - 49th Avenue Red Deer, AB T4N 6G5 Thomas Langford		tglangford@altalaw.ca Counsel for Techmation Electric & Controls Ltd.
Gary Roy		Gary.Roy@CGG.com

TAB B

Schedule “B” Form of Order: PARAMOUNT Sale Approval and Vesting Order

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**

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
 Facsimile: (403) 266-1395
 Email: rgurofsky@blg.com
 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 Justice B.E.C. Romaine

UPON THE APPLICATION by Grant Thornton Limited in its capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively, the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Paramount Resources Ltd. (the “**Purchaser**”) dated March 21, 2019 and appended to the Thirteenth Report of the Receiver dated March 22, 2019 (the “**Report**”), and vesting in the Purchaser (or its nominee) the Debtor’s right, title and interest in and to the proprietary seismic data described in the Sale Agreement (the “**Purchased Assets**”); **AND UPON HAVING READ** the Receivership Order dated March 20, 2017 (the “**Receivership Order**”), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser and any other party appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).
3. The procedure outlined by the Receiver in the Report to cull the seismic data and ensure that only proprietary data is hereby approved and in the unlikely event any trade data is included in the seismic transferred by the Receiver's third party expert to the Purchaser, the Purchaser shall not use, sell, transfer or convey any such trade data and shall destroy such trade within 30 days of its discovery.
4. The Receiver shall not be liable for any trade seismic data that is inadvertently transferred to the Purchaser, and the Purchaser shall not be liable for any trade seismic data that is inadvertently received by the Purchaser provided it complies with the obligations imposed on it by the Court as outlined above in paragraph 3 of this Order.

VESTING OF PROPERTY

5. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and

whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders’ Lien Act* (Alberta); and
- (d) those Claims listed in **Schedule “B”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule “C”** (collectively, “**Permitted Encumbrances**”))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

6. Upon delivery of the Receiver’s Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, “**Governmental Authorities**”) are hereby authorized, requested and directed to accept delivery of such Receiver’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

7. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register

transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

8. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
9. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
10. Except as expressly provided for in the Sale Agreement, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
11. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or

other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

12. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
13. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
14. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

SEALING ORDER

15. The Confidential Appendix 5 and Appendix 7 of the Report 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 Appendices 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 APPENDICES 5 AND 7 TO THE RECEIVER' S THIRTEENTH REPORT, DATED MARCH 22, 2019, FILED IN COURT FILE NO. 1701-03460, WHICH SHALL BE SEALED FOR A PERIOD OF THREE (3) MONTHS FOLLOWING THE DISCHARGE OF THE RECEIVER, PURSUANT TO AN ORDER ISSUED BY THE HONOURABLE JUSTICE B.E.C. ROMAINE DATED APRIL 2, 2019, AND IS NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICLY ACCESSIBLE.

16. The Receiver is empowered and authorized, but not directed, to provide the Confidential Appendices 5 and 7 (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.
17. 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.

MISCELLANEOUS MATTERS

18. Notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “BIA”), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Debtor; and
- (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

19. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

20. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

21. Service of this Order shall be deemed good and sufficient by:

- (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;

- (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
- (b) Posting a copy of this Order on the Receiver's website at: www.grantthornton.ca/lexin and service on any other person is hereby dispensed with.
22. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of Queen's Bench of Alberta

Schedule “A”**Form of Receiver’s Certificate**

COURT FILE NUMBER

1701-03460

Clerk’s Stamp

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

RECEIVER’S CERTIFICATEADDRESS 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

RECITALS

- A. Pursuant to an Order of the Honourable Justice Jeffrey of the Court of Queen’s Bench of Alberta, Judicial District of Calgary (the “Court”) dated March 20, 2017, Grant Thornton Limited was appointed as the receiver (the “Receiver”) of the undertakings, property and assets of the Lexin Group (the “Debtor”).
- B. Pursuant to an Order of the Court dated April 2, 2019 the Court approved the agreement of purchase and sale made as of **[Date of Agreement]** (the “Sale Agreement”) between the Receiver and Paramount Resources Ltd. (the “Purchaser”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased

Assets; (ii) that the conditions to Closing as set out in section * of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section * of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

Grant Thornton Limited, in its capacity as Receiver of the undertakings, property and assets of Lexin Resources Ltd., 1051393 B Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership and not in its personal capacity.

Per;_____

Name:

Title:

SCHEDULE "B"
ENCUMBRANCES

1. Warehouseman's and Storage Liens

SCHEDULE "C"
PERMITTED ENCUMBRANCES

NIL

TAB C

Schedule “C” Form of Order: WILCOX Sale Approval and Vesting Order

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**

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
 Facsimile: (403) 266-1395
 Email: rgurofsky@blg.com
 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 Justice B.E.C. Romaine

UPON THE APPLICATION by Grant Thornton Limited in its capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively, the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Wilcox Energy Corp. (the “**Purchaser**”) dated March 18, 2019 and appended to the Thirteenth Report of the Receiver dated March 22, 2019 (the “**Report**”), and vesting in the Purchaser (or its nominee) the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”); **AND UPON HAVING READ** the Receivership Order dated March 20, 2017 (the “**Receivership Order**”), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser and any other party appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.¹

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order;
 - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and

¹ Ensure that the application and supporting materials are served on all affected parties including those whose interests will be vested off.

- (d) those Claims listed in **Schedule “B”** hereto (all of which are collectively referred to as the **“Encumbrances”**, which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule “C”** (collectively, **“Permitted Encumbrances”**))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the Receiver’s Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, **“Governmental Authorities”**) are hereby authorized, requested and directed to accept delivery of such Receiver’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) Alberta Energy (“Energy Ministry”) shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel and discharge those Claims including builders’ liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and
 - (ii) transfer all Crown leases listed in **Schedule “D”** to this Order standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
- (b) the Registrar of the Alberta Personal Property Registry (the **“PPR Registrar”**) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods;

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
7. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
8. Except as expressly provided for in the Sale Agreement, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
9. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right,

title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

10. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
12. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

MISCELLANEOUS MATTERS

13. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of the Debtor; and
 - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

14. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
15. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
16. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Receiver's website at: www.granthornton.ca/lexin and service on any other person is hereby dispensed with.
17. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Schedule “A”**Form of Receiver’s Certificate**

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

Clerk’s Stamp

DOCUMENT	RECEIVER’S CERTIFICATE
----------	-------------------------------

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3 rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9774 Facsimile: (403) 266-1395 Email: rgurofsky@blg.com File No. 547730/000021
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RECITALS

- A. Pursuant to an Order of the Honourable Justice Jeffrey of the Court of Queen’s Bench of Alberta, Judicial District of Calgary (the “Court”) dated March 20, 2017, Grant Thornton Limited was appointed as the receiver (the “Receiver”) of the undertakings, property and assets of the Lexin Group (the “Debtor”).
- B. Pursuant to an Order of the Court dated April 2, 2019 the Court approved the agreement of purchase and sale made as of March 18, 2019 (the “Sale Agreement”) between the Receiver and Paramount Resources Ltd. (the “Purchaser”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii)

that the conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

Grant Thornton Limited, in its capacity as Receiver of the undertakings, property and assets of Lexin Resources Ltd., 1051393 B Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership and not in its personal capacity.

Per;_____

Name:

Title:

SCHEDULE “B”**ENCUMBRANCES – NOT PERMITTED**

SECURITY / ENCUMBRANCE	LANDS	REGISTRATION NUMBER	REGISTRATION DATE
Crown lease rental and royalty arrears to Effective Date	All Crown lease numbers in Schedule “D” below	N/A	N/A
Builders Liens by Techmation Electric & Controls Ltd.	Crown Lease No. 0400050042 Section 20-15-25W4	1600554	2016/03/14
Builders Liens by Techmation Electric & Controls Ltd.	Crown Lease No. 0400050045 Section 29-15-25W4	1600288	2016/02/01

SCHEDULE “C”**PERMITTED ENCUMBRANCES**

Crown Royalty plus SS (5%-7.5%) oil and 7.5% gas BPO and SS (5%15%) oil and 15% gas APO GOR payable to CNRL
Crown Royalty plus 5% GOR payable to Caledonian on 50% of production plus SS (5%-15%) oil and 15% gas GOR payable to CNRL on all production
Crown Royalty plus 5% GOR payable to Caledonian on 50% of production plus SS (5%-15%) oil and 15% gas GOR payable to CNRL on all production
Crown Royalty plus 5% GOR payable to Caledonian on 50% of production plus SS (5%-15%) oil and 15% gas GOR payable to CNRL on all production

SCHEDULE “D”**CROWN LEASES**

Vendor File #	Title Document	Legal Description	Zones	Vendor Interest	Encumbrances
M08867	Crown Lease No. 0401080318	Section 2-15-25W4	PNG to base of Bow Island SD	100%	Crown Royalty plus SS (5%-7.5%) oil and 7.5% gas BPO and SS (5%-15%) oil and 15% gas APO GOR payable to CNRL
M08862	Crown Lease No. 0400050046	Section 30-15-25W4	PNG to base of Bow Island SD	50%	Crown Royalty plus 5% GOR payable to Caledonian on 50% of production plus SS (5%-15%) oil and 15% gas GOR payable to CNRL on all production
M08852	Crown Lease No. 0400050042	Section 20-15-25W4	NE20 —PNG to base of Mannville GRP NW and S20 — PNG to base of Bow Island SD	50%	Crown Royalty plus 5% GOR payable to Caledonian on 50% of production plus SS (5%-15%) oil and 15% gas GOR payable to CNRL on all production
M08851	Crown Lease No. 0400050045	Section 29-15-25W4	PNG to base of Mannville GRP	50%	Crown Royalty plus 5% GOR payable to Caledonian on 50% of production plus SS (5%-15%) oil and 15% gas GOR payable to CNRL on all production

TAB D

Schedule "D" 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
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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 to the Thirteenth Report is hereby approved and ratified.

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.