



COURT FILE NUMBER B301-276975

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c B-3, AS AMENDED*

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF BLUE SKY RESOURCES LTD.

APPLICANT CANADIAN NATURAL RESOURCES LIMITED

RESPONDENT HIS MAJESTY IN RIGHT OF ALBERTA, AS REPRESENTED BY THE MINISTER OF ENERGY.

DOCUMENT AFFIDAVIT

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

Attention: Evan W. Dixon/Sandy Carpenter  
P2 Regulatory Solutions  
Suite 300, 207 9<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 1K3  
Telephone: (403) 297-2001  
Email: edixon@p2regulatory.com  
scarpenter@p2regulatory.com

### **AFFIDAVIT OF WAYNE TALJIT**

**Sworn on December 12, 2025**

I, Wayne Taljit, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SWEAR THAT:

1. I am the Director, Gas Royalty Operations with the Government of Alberta, Department of Energy and Minerals (**Alberta Energy**). As such, I have personal knowledge of the facts and matters deposed to in this Affidavit, except those made on information and belief, in which case I have stated the source of the information and believe the information to be true and accurate.
2. In my role as Director, Gas Royalty Operations, I am responsible for the overall administration and management of gas royalty operations for the Government of Alberta which includes oversight of the collections teams to ensure royalty revenue is collected for the benefit of all Albertans in accordance with the applicable legislation.

3. I have reviewed the application made by Canadian Natural Resources Limited (**CNRL**) against Alberta Energy in connection with the insolvency proceeding of Blue Sky Resources Ltd. (**Blue Sky**), including the affidavit of Erin Lunn, sworn November 14, 2025 (the **Lunn Affidavit**).

4. CNRL's application was filed following Alberta Energy's attempts to collect royalties owing under Crown petroleum and natural gas leases where Blue Sky is one of the lessees. Alberta Energy attempted to collect royalties from co-lessees, including CNRL, all of whom are liable for such royalties pursuant to the leases and section 20(2.1) of the *Mines and Minerals Act RSA 2000, c M17 (MMA)* (the **Outstanding Royalties**).

### **Public Offering of PNG Rights**

5. The Crown in right of Alberta (the **Alberta Crown**) owns approximately 81% of the mineral rights in the Province of Alberta. The Minister of Energy and Minerals, through Alberta Energy, administers and manages Alberta's mineral resources on behalf of all Albertans.

6. The Alberta Crown no longer develops its own petroleum and natural gas minerals (**Crown PNG**). Instead, industry develops Alberta's Crown PNG.

7. The Alberta Crown offers Crown PNG primarily through public offerings: industry can bid for Crown PNG rights. Alberta Energy then issues a PNG lease (a **Crown Lease**) to the successful bidder or bidders.

8. A Crown Lease grants the lessee, or lessees where there are multiple lessees, the exclusive right to drill for, and recover, Crown PNG within the Crown Lease area. A Crown Lease does not grant mineral ownership, which remains with the Alberta Crown.

9. A sample Crown Lease is attached as **Exhibit A**. A copy of a Crown Lease to which both CNRL and Blue Sky are parties is attached as **Exhibit B** (the **CNRL Lease**).

10. All Crown Leases at issue in this proceeding contain similar language and expressly incorporate the MMA's provisions as terms. The grant of PNG rights under each Crown Lease is exclusive to the named lessees.

11. As described in the CNRL Lease, each lessee holds a separate and distinct, undivided lease interest. Each interest is its own proprietary interest which the holder can sell or transfer, subject to Alberta Energy's approval under the MMA.<sup>1</sup>

12. Alberta Energy regularly processes transfer requests for Crown Lease interests, including within insolvency proceedings. Given their separate and distinct nature, only the owner of the

---

<sup>1</sup> CNRL Lease, Memorandum of Registration dated November 23, 2021. Since the lease's original inception, ownership of interests has changed multiple times, settling with CNRL and Blue Sky in 2021.

Crown Lease interest can dispose of its interest, other lessees have no control over the leasehold interests of other lessees.

13. Alberta Energy administers the leasing and management of Crown PNG rights via the process described above.

14. Development of the PNG underlying Crown Leases requires wells, pipelines, and other facilities. The Alberta Energy Regulator (**AER**) is responsible for these facilities, not Alberta Energy. Alberta Energy is involved primarily with issuing Crown Leases and enforcing obligations thereunder, whereas the AER licenses and regulates upstream oil and gas facilities.

### **Rentals and Royalties as Crown Lease Obligations**

15. Crown PNG minerals are publicly owned. A Crown Lease obligates the lessee to pay for each unit produced, whether oil or natural gas. This payment is called a “royalty.” A royalty is not a tax; it is a payment to the resource’s owner (in this case the Albertan public) for the use of its mineral interest.

16. Crown Leases for Crown PNG minerals identify two primary obligations owed by lessees to the Alberta Crown (**Crown Liabilities**):

- (a) An ongoing obligation to pay royalties to the Alberta Crown for all minerals produced; and
- (b) An ongoing obligation to pay rent for the right to win, work and recover minerals on Alberta Crown land.

17. While rentals and royalties are both lessee obligations arising under Crown Leases, Alberta Energy has separate processes for their collection.

18. As set out in both the CNRL Lease and the Crown Lease, Crown Liabilities are shared by all lessees:

**CNRL Lease**      YIELDING AND PAYING to Her Majesty..., the clear yearly rent... prescribed by the *Mines and Minerals Act*; and also yielding and paying to Her Majesty in accordance with the *Mines and Minerals Act* a royalty on all Leased Substances won, worked and recovered pursuant to this Lease...

**Crown Lease**      RESERVING AND PAYING to His Majesty,

- (a) ... a clear yearly rental... payable in accordance with the *Mines and Minerals Act*, and

- (b) the royalty on all Leased Substances recovered pursuant to this Lease... payable in accordance with the *Mines and Minerals Act...*

19. Each lessee is responsible for payment of all amounts owing regardless of their percentage share in a particular lease:

**CNRL Lease**      **Section 5:** The Lessee shall:

- (a) pay the rent reserved under this Lease, and
- (b) pay the royalty reserved under this Lease.

**Crown Lease**      **Section 2:** This lease is granted upon the following conditions:

- (1) The Lessee shall pay to His Majesty the rental and royalty reserved under this Lease.

20. In both the Crown Lease and the CNRL Lease, co-lessees are collectively defined as the “Lessee.” Defining Lessee as including multiple parties is intentional, confirming that all lessees are individually liable for all accrued Crown Liabilities.

21. The MMA governs the use and development of Crown PNG and its provisions are expressly incorporated into all Crown Leases (including the CNRL Lease). Under section 20 of the MMA, all lessees are liable for all obligations and liabilities arising under a Crown Lease (relevant excerpts attached as **Exhibit C**):

**20(2.1)** Where 2 or more persons are recorded with the Department as lessees of an agreement,

- (a) those lessees in relation to the Crown are jointly responsible for the obligations and liabilities that arise under that agreement, notwithstanding that the agreement was issued before, on or after the coming into force of this subsection, and
- (b) a judgment in favour of the Crown against one or more of those lessees or a release by the Crown in favour of one or more of those lessees does not preclude the Crown from obtaining judgment against the other lessees in the same or a separate proceeding.

22. While rental and royalty obligations are distinct, both arise under Crown Leases. As a result, Alberta Energy can collect all rents and royalties from co-lessees as required.

23. Shared rental and royalty liability is intended to ensure payment to the public for the use of their minerals, administered by the Crown for the benefit of Albertans as mineral owners.

### **Attribution of Royalties (Wells vs Leases)**

24. While co-lessees are liable for all Crown Liabilities arising under a Crown Lease, Alberta Energy does not typically, at first, attempt collection from co-lessees.

25. The oil and gas industry is complex, involving a host of private arrangements between companies to develop Crown PNG. A Crown Lease might have multiple lessees, a well might have several participants or an operator chosen by those participants. To optimize production from a field, companies can combine their wells and produce the minerals as a unit (via unit agreement).

26. To reduce complexity and administrative burden on industry, Alberta Energy allows lessees to identify a royalty client for ongoing payment purposes. The royalty client pays royalties on behalf of lessees, despite lessees bearing ultimate responsibility for royalty obligations. Often, a Crown Lease will have multiple royalty clients, whose proportionate royalty obligations are based on their production (as determined by industry and submitted to Alberta Energy).

### **Royalty Invoicing**

27. The ongoing payment of Crown Royalties is administered in accordance with the *Natural Gas Royalty Regulation* (as amended from time to time) (**NGRR**), relevant excerpts of the 2017 version of the NGRR are attached as **Exhibit D**.<sup>2</sup>

28. Pursuant to the NGRR the Minister must issue, on or before the last day of the 2<sup>nd</sup> month (following a production month) an invoice to each royalty client showing the Minister's calculation of the aggregate quantities available for sale allocated to a royalty client for the prior production month along with the Crown's royalty share of those quantities and the compensation payable by the royalty client.

29. A royalty client is defined in the NGRR to mean a person shown in the records of the Department as a royalty client with certain deemed allocations under the NGRR.

30. An important concept in royalty invoicing is the "quantity available for sale" since royalties are charged based on each royalty client's quantity available for sale.

31. The quantity available for sale is an allocation made under the NGRR. Either industry or the Minister can make an allocation for a Crown Lease. However, except where directed otherwise by the Minister, Alberta Energy generally respects industry's allocation, trusting that any allocation made is in the commercial interests of those parties.

32. Based on the above, under the NGRR, the party who is invoiced for and pays royalties (e.g., the royalty client) is not necessarily always a lessee. At times, lessees may assign someone to administer all invoicing for a lease, through which royalty payments flow to Alberta Energy.

---

<sup>2</sup> *Natural Gas Royalty Regulation, 2009 AR 221/2008; Natural Gas Royalty Regulation, 2017 AR 211/2016*  
*The 2009 and 2017 NGRR contain virtually identical provisions.*

33. The Lunn Affidavit implies that because a royalty client is, for first point of payment, invoiced for production-based royalties that the royalty client bears sole liability for royalty payments under that Crown Lease. This is not correct.

34. Allowing industry to allocate their own royalty proportions (i.e., quantities available for sale) is a discretionary policy choice by Alberta Energy designed to encourage efficiency and reduce regulatory burden for industry. However, the Crown Lease lessees remain owners of the Crown Lease interests and bear ultimate responsibility for all Crown Lease obligations. As set out in section 2 of the NGRR:

**Lessee's liability unaffected**

**2** Nothing in this Regulation operates to relieve a lessee from

- (a) the lessee's liability to the Crown under an agreement for the payment of royalty, or
- (b) the lessee's liability under this Regulation to pay royalty compensation to the Crown.

**Non-payment and Service of Leaseholder Recourse Default Letter**

35. Alberta Energy invoiced Blue Sky (as royalty client) for outstanding royalty on June 30, 2025, attached as **Exhibit E**. In response to non-payment, Alberta Energy sent three separate notices of non-payment: July 10, 2025 (**Exhibit F**), August 12, 2025 (**Exhibit G**), and September 23, 2025 (**Exhibit H**), each notifying Blue Sky of missed deadlines and requesting payment.

36. In response to unpaid royalties and rental arrears, Alberta Energy sends a leaseholder recourse default letter (**Default Letter**) outlining the remedial action that it may pursue against lessees.

37. On September 25, 2025, following commencement of Blue Sky's insolvency proceedings, Alberta Energy sent a Default Letter to all co-lessees on Crown Leases where Blue Sky held a lease interest, outlining the Outstanding Royalties under the leases. A copy of the Default Letter is attached as **Exhibit I**.

38. The Lunn Affidavit, at paragraph 12, incorrectly states that only 12 of the relevant co-lessees received the Default Letter. The Default Letter was sent to the most recent recorded email addresses for all listed co-lessees, using two emails of separate cover to accommodate the number of parties, at 3:58 PM and 4:07 PM respectively, attached as **Exhibits J** and **K**.

39. On October 16, 2025, Alberta Energy received a letter from CNRL asking for a stay of enforcement of the Outstanding Royalties against Blue Sky's co-lessees, attached as **Exhibit L**.

40. By way of letter dated October 22, 2025, attached as **Exhibit M**, Alberta Energy declined to stay enforcement of the Outstanding Royalties against liable co-lessees. Alberta Energy did stay

all enforcement against Blue Sky and its property following institution of Blue Sky's NOI proceedings, as is standard practice.

41. Alberta Energy declined to stay enforcement against co-lessees, despite the pending litigation from CNRL, while the matter is adjudicated. The liability provisions in the Crown Leases and MMA are well known to industry participants and have been included in the standard Crown Lease in substantively the same form for more than 50 years.

42. In response to issuance of the Default Letter, Alberta Energy received payments from various co-lessees in the following amounts:

CNRL	\$225,046.86
Ovintiv Canada ULC	\$38,017.85
Whitecap Resources Ltd.	\$4,383.61
Sinopec Canada Energy Ltd.	\$13,777.76
Insignia Energy Ltd.	\$28,640.82
Outlier Resources Ltd.	\$4,001.90
Axiom Oil & Gas Inc.	\$2,215.01
Cenovus Energy Inc.	\$75,217.37
HWN Energy Ltd.	\$4,869.57
Journey Energy Inc.	\$322.61
Lynx Energy ULC	\$44.80
Mancal Energy Inc.	\$7,672.81
Nuvista Energy Ltd.	\$229.74
Paramount Resources Ltd.	\$28,716.03
Petrus Resources Ltd.	\$2,445.91
Peyto Exploration & Development Corp.	\$95,494.42
Saturn Oil & Gas Inc.	\$503.31
Signalta Resources Limited	\$50,314.32
Spoke Resources Ltd.	\$3,469.84
Tourmaline Oil Corp.	\$500,520.53
Vermilion Resources Ltd.	\$76,548.11
F Brown Exploration	\$4,219.70

\* Amounts current to December 1, 2025

43. Alberta Energy accepted these payments and agreed to stay any further enforcement against the co-lessees until resolution of this matter.

### **Collection of Crown Liabilities in Insolvency Proceedings**

44. As discussed, Alberta Energy serves Default Letters in response to unpaid Crown Liabilities, outlining the actions and remedies Alberta Energy may pursue to collect outstanding Crown Liabilities.

45. As described in the Default Letter sent to CNRL and the other co-lessees, Alberta Energy does not pursue remedial action against assets protected by an insolvency stay of proceedings. Specifically, it does not pursue remedial action against the insolvent's lease interest. As a result, if an insolvent party is a co-lessee under certain Crown Leases, the stay of proceedings prevents cancellation of the entire Crown Lease, as cancellation would violate the anti-deprivation rule as it pertains to the insolvent's lease interest.

46. Despite representations in the Lunn Affidavit and CNRL's application, at no time did Alberta Energy threaten "draconian consequences" for non-payment (such as cancellation of Crown Leases), as Alberta Energy does not cancel agreements in violation of a stay of proceedings. The relevant portion of the Default Letter (Exhibit I):

#### **III. Remedial Exception: Insolvency Proceedings & Vested Assets**

Alberta Energy will not act in a manner contravening a court order or proceeding where:

- (1) An insolvent co-lessee is subject to insolvency proceedings, protected by a stay of proceedings, or
- (2) A party has obtained an interest in an agreement via court order discharging their liability for these debts...

47. Both Alberta Energy and Blue Sky's co-lessees were aware, at the time of the Default Letter, of Blue Sky's institution of NOI proceedings and the associated stay of proceedings governing Blue Sky's property. The Default Letter is clear that Alberta Energy will not cancel Crown Leases impacted by a stay of proceedings. Any cancellation remedy is impossible until resolution of Blue Sky's insolvency.

48. At no point did Alberta Energy threaten cancellation of Crown Leases involving CNRL or Blue Sky's co-lessees during the insolvency proceeding, as alleged by the Lunn Affidavit.

49. If an insolvent lessee holds a 100% lease interest, the stay of proceedings prevents any remedial action for outstanding debts. In such circumstances, Alberta Energy awaits completion of a sale transaction, usually an asset sale of the insolvent's Crown Lease interests.

### **Default Letter and Blue Sky Royalty Client Account**

50. The Default Letter begins by listing the total amount of Outstanding Royalties in Blue Sky's royalty client account. However, attributing the Outstanding Royalties to Blue Sky's royalty

client account does not absolve Blue Sky's co-lessees of their liability for these amounts owed under Crown Leases.

51. As discussed, Alberta Energy first attempts royalty collection from designated royalty clients in the proportion assigned to them and communicated to Alberta Energy. When that collection is frustrated or becomes impossible, such as in an insolvency, Alberta Energy avails itself to its other remedies under the Crown Leases and MMA, such as collection from co-lessees.

52. When a party declares insolvency, regardless of the type of proceeding, Alberta Energy calculates all then known royalties owed by that royalty client, based on their allocation of "quantities available for sale," as attributed by a well operator (not Alberta Energy). These royalty amounts are reflected in the insolvent's royalty client account, identified in the Default Letter, and disseminated to all co-lessees.

53. The use of Blue Sky's royalty client account does not indicate that only Blue Sky is liable for payment of those amounts. Identifying the Outstanding Royalties in Blue Sky's royalty client account is, as previously discussed, a policy decision premised on encouraging administrative efficiency, and such allocation is done at industry's direction. Further, identifying the Outstanding Royalties to only Blue Sky's royalty client account prevents duplicate collection and avoids accounting complications.

54. If, pursuant to shared co-lessee liability, Alberta Energy reflected all outstanding royalty balances in each co-lessee's royalty client account, it would lead to accounting errors and double collection (i.e., 10 lessees would all owe ~\$1.8m in their accounts, despite the total owed amount across all leases totaling ~\$1.8m).

55. Despite all Blue Sky co-lessees receiving the Default Letter outlining the total Outstanding Royalties attributed to Blue Sky via industry, Alberta Energy collects outstanding amounts from co-lessees on a leasehold basis. In short, co-lessees pay only those Outstanding Royalties for Crown Leases to which they are a party. This methodology reflects that, ultimately, royalties are tied to the underlying Crown Lease.

56. The Lunn Affidavit incorrectly states "... Alberta Energy may exercise remedies against any lessee, regardless of whether such lessee has an interest in the PNG Lease from which the applicable [Outstanding Royalties] relate."<sup>3</sup> That statement is incorrect. Crown Liabilities accrue on a lease-by-lease basis, meaning Alberta Energy can collect Crown Lease debts from all lessees, even if such collection is not Alberta Energy's first course of action.

---

<sup>3</sup> Lunn Affidavit, para 11(c).

### **Default Letter and Designated Representatives**

57. Section 29(1) of the MMA requires that lessees nominate a designated representative for each Crown Lease with two or more lessees. The designated representative, who is not always a co-lessee, is the point of contact between Alberta Energy and the specific Crown Lease.

58. The Default Letter was sent to both co-lessees and designated representatives, as appropriate. Even if a party had no interest in a lease, they would still receive the Default Letter for leases on which they are a designated representative.

59. If CNRL is the designated representative for certain Crown Leases, then the spreadsheet of Outstanding Royalties they received alongside the Default Letter would naturally include leases to which they may not have an ownership interest.

60. Communicating a notice of collection for a lease's Crown Liabilities to a designated representative is not an attempt at illegitimate collection from a non-liable party. It is simply communicating through the architecture set out in section 29 of the MMA.

### **Provision of Lease Information to Requesting Parties**

61. Following delivery of the Default Letter, on September 29, 2025, Alberta Energy provided a spreadsheet containing Crown Liability information specific to each co-lessee and their respective Crown Leases. This spreadsheet provided agreement ID, production periods, designated representatives, participants, royalty amounts, and interest. The cover email providing this information to CNRL is attached as **Exhibit N**, and the spreadsheet of Outstanding Royalties itself as **Exhibit O**.

62. Due to confidentiality provisions in the MMA, Alberta Energy can provide to a lessee only that lease information for which they are a lessee (or designated representative). If a party is not listed as a lessee, Alberta Energy cannot share third party information to parties which do not have an interest in the lease:

**50(1)** Except as provided under the regulations, no person shall communicate or allow to be communicated any record, return or information obtained under this Act to a person not legally entitled to that information or allow any person not legally entitled to that record, return or information to have access to any record, return or information obtained under this Act.

63. If CNRL is not party to a Crown Lease, Alberta Energy cannot provide information about that lease to CNRL unless CNRL provides consent from those legally entitled to the information.

64. Alberta Energy provided to all co-lessees the information relevant to their Crown Lease obligations connected to Blue Sky's insolvency and collection of associated Outstanding Royalties as requested by the applicable co-lessees.

### **Insolvency Sales – Alberta Energy’s Transfer Requirement**

65. As set out at paragraph 33 of the Lunn Affidavit, referencing a former affidavit sworn by Tracy Wadson in the CLEO proceeding (discussed below), Alberta Energy has issued Information Letter IL 2024-32 (**IL 2024-32**), addressing the transfer of Crown Leases in insolvency proceedings. IL 2024-32 does not address or limit the royalty collection measures available to Alberta Energy outside insolvency proceedings.

66. Consistent with IL 2024-32, upon sale of an insolvent’s Crown Leases (in an asset sale, not a share purchase arrangement), the receiver or trustee requests that Alberta Energy transfer those Crown Leases to the name of the purchaser.

67. Under section 18(2) of the MMA and section 5(1)(g) of the *Crown Minerals Registration Regulation*, AR 264/1997 (**CMMR**), the Minister (through Alberta Energy) is authorized to refuse the transfer of a Crown Lease. The relevant portions of the CMMR are attached as **Exhibit P**.

68. If outstanding Crown Liabilities exist at the time of the requested transfer, Alberta Energy requires payment of cure costs (i.e., the Crown Liabilities - the monetary defaults under the Crown Lease) before it will transfer Crown Leases to the purchaser (the **Transfer Requirement**).

69. Contrary to the Lunn Affidavit’s claim that Alberta Energy rejects transfers,<sup>4</sup> Crown Leases are held in abeyance if both the transferee and transferor refuse to cure outstanding Crown Liabilities. Alberta Energy does not cancel Crown Leases for a purchaser’s refusal to pay Crown Liabilities at risk of violating the court’s order, typically an Approval and Vesting Order.

### **Non-Payment of Crown Liabilities Despite Transfer Requirement**

70. The fact that Alberta Energy seeks payment of Crown Liabilities prior to transferring Crown Leases does not mean that Alberta Energy always receives payment. Often, parties will refuse to pay, leaving the leases in limbo, or take Alberta Energy to Court.

71. As described in the Lunn Affidavit (citing a former affidavit of Alberta Energy),<sup>5</sup> there are ample materials available to both industry and insolvency managers regarding the Transfer Requirement. Even so, Alberta Energy faces frequent disputes and refusals over the payment of Crown Liabilities at transfer (examples provided below).

72. Moreover, Alberta Energy’s authority vis a vis transfers does not guarantee payment, as suggested by CNRL’s application and the Lunn Affidavit. This uncertainty of payment, coupled with rising insolvencies, has led Alberta Energy to more frequently exercise its discretion to seek payment of outstanding Crown Liabilities from co-lessees.

---

<sup>4</sup> Lunn Affidavit, para 29(d).

<sup>5</sup> Lunn Affidavit, para 33.

73. A purchaser's refusal to pay cure costs creates significant opportunity costs for Alberta Energy while the Crown Leases are held in abeyance, a cost borne directly by the taxpaying public whose minerals are frozen for undetermined periods of time. During such time, no productive use is made of Crown PNG. No royalties or taxes are collected, no employment is created, and Alberta Energy is unable to reissue the mineral rights to a party capable of making productive use of public PNG rights.

74. If a party chooses to litigate Alberta Energy's refusal to transfer, that creates a significant additional legal cost. The inability to collect payment on Crown Leases creates significant administrative, opportunity, and legal costs. These costs are in addition to the unpaid Crown Liabilities, all of which are borne by the public when it is their PNG rights at stake.

75. Alberta Energy is placed in an extremely difficult situation in the face of non-payment of Crown Liabilities. Because insolvency transactions are authorized by court order, Alberta Energy does not outright cancel the leases on which liabilities remain unpaid.

76. Even if Alberta Energy were able to cancel Crown Leases for which no payment of Crown Liabilities was made under the Transfer Requirement, that is of no benefit either, as the debt of the cancelled agreements becomes effectively unrecoverable. Even where collection succeeds, collection costs may nullify (or even outweigh) the amounts collected.

*Forden Energy Inc.*

77. On November 19, 2019, in the insolvency of Sequoia Resources Corp. (**Sequoia**), Forden Energy Inc. (**Forden**) purchased certain Crown Lease interests from Sequoia, which leases had outstanding Crown Liabilities (the **Forden Leases**).

78. Under its statutory authority, Alberta Energy requested payment of the outstanding Crown Liabilities before transferring the lease interests to Forden. Forden refused to pay, arguing that all Crown Liabilities were extinguished and brought an application against Alberta Energy (the **Forden Claim**), attached as **Exhibit Q**.

79. The Forden Claim remains unresolved and, on August 17, 2025, Forden filed a notice of Intention to Make a Proposal, attached as **Exhibit R**. While the drop-dead date under the *Rules of Court* has passed, Alberta Energy's request to lift the NOI-imposed stay of proceedings to strike the claim was denied by Forden's Trustee, attached as **Exhibit S**.

80. So long as Forden remains in insolvency proceedings (NOI or otherwise), Alberta Energy is unable to act on the Forden Leases to: (i) collect unpaid Crown Liabilities, (ii) cancel the Forden Leases, or (iii) reissue the mineral rights contemplated by the Forden Leases to a new purchaser to make productive use of the PNG, creating royalty payments, employment, and tax revenues.

81. As a result of the above, Alberta Energy has held the Forden Leases in abeyance for over six years, during which time no productive use has been made of the leased Crown PNG.

82. Situations such as the Forden Claim are unfortunately not uncommon, and Alberta Energy is required to expend significant legal and administrative costs to remedy the situation.

*Barrel Oil Corp.*

83. Alberta Energy recently received a notice of dispute similar to the Forden Claim, as part of the receivership of Long Run Exploration Ltd. (**Long Run**), whose receivership order is attached as **Exhibit T**. Certain of Long Run's Crown Leases were purchased by Barrel Oil Corp. (**Barrel Co.**).

84. Upon receipt of request from Long Run's receiver to transfer the purchased leases to Barrel Co., Alberta Energy made the statutory request for payment of outstanding Crown Liabilities from Barrel Co. Despite the relevant asset purchase agreement between Long Run, its receiver, and Barrel Co. requiring Barrel Co. to pay Crown Lease cure costs, Barrel Co. refused to pay. Barrel Co.'s letter to Alberta Energy is attached as **Exhibit U**.

85. This dispute remains unresolved, with the subject Crown Leases again held in limbo and the associated Crown Liabilities unpaid.

*Trident Exploration Corp. and Tallahassee Exploration Inc.*

86. The Lunn Affidavit incorrectly states that, during the insolvency of Trident Exploration Corp. (**Trident**), Alberta Energy approved a transfer of certain Trident Crown Leases to Tallahassee Exploration Inc. (**Tallahassee**) without requiring payment of Crown Liabilities and instead invoiced CNRL.<sup>6</sup>

87. In July 2021, Alberta Energy engaged with Tallahassee, advising them that Trident was in receivership and Alberta Energy required time to calculate outstanding Crown Liabilities. In November 2021, a payment of ~\$200,000 was received from Tallahassee satisfying the Crown Liabilities. Attached as **Exhibit V** is correspondence regarding Tallahassee's payment of the outstanding Crown Liabilities.

*Sydco Energy Inc. and Direct Oil & Gas Inc.*

88. The Lunn Affidavit also incorrectly states that Alberta Energy transferred leases from insolvent Sydco Energy Inc. to Direct Oil & Gas Inc. (**Direct**), and then to Blue Sky, without requiring payment of outstanding Crown Liabilities.<sup>7</sup>

89. When Alberta Energy approved the transfer from Direct to Blue Sky, the transferred leases had no outstanding Crown Liabilities, as discussed in correspondence with Alberta Energy staff

---

<sup>6</sup> Lunn Affidavit, para 34(a).

<sup>7</sup> Lunn Affidavit, para 34(c).

responsible for lease administration, attached as **Exhibit W**. This correspondence also confirms that CNRL was aware that the insolvency trustee was seeking to arrange payment of arrears.

## Attempts to Subvert the Transfer Requirement

90. Paragraphs 32 to 34 of the Lunn Affidavit rely on materials submitted by Alberta Energy in the insolvency proceedings of CLEO Energy Corp. (**CLEO**).

91. The CLEO proceeding demonstrates ever evolving attempts by insolvency managers and their counsel to avoid paying Crown Liabilities through the insolvency process. Where such attempts are successful, private entities are enriched at the direct expense of Albertans who own the PNG.

92. In the CLEO proceeding, a reverse vesting order (the **CLEO RVO**) was sought, contemplating a sale of all CLEO's shares to a purchaser. On the terms of the CLEO RVO, the purchaser entity would retain all CLEO's Crown Leases, but none of the Crown Liabilities for those leases.

93. Alberta Energy successfully intervened against the proposed RVO. The finalized order required payment of CLEO's outstanding Crown Liabilities from the purchase proceeds, the pronounced order is attached as **Exhibit X**.

94. In CLEO's insolvency, the Transfer Requirement would have been avoided, as share transactions do not require transfers of the Crown Leases. As such, the Transfer Requirement is far from an ironclad tool guaranteeing Alberta Energy's payment. In fact, CLEO's insolvency proceeding demonstrates how collection of outstanding Crown Liabilities is far from certain, and Alberta Energy requires a robust set of tools to guarantee the collection of funds owed to Albertans.

## Conclusion

95. I make this Affidavit in opposition to CNRL's application dated November 14, 2025.

SWORN BEFORE ME at the City of Edmonton, in the Province of Alberta, this 12th day of December 2025.

A Commissioner of Oaths in and for  
the Province of Alberta

*Notary & Solicitor*  
Luke Woule  
A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA



This is Exhibit A  
referred to in the affidavit  
of WAYNE TALJIT  
Sworn before me this 12 day  
of December, 2025

D.L.W.  
Commissioner for Oaths in and for  
the Province of Alberta

Luke Woulfe  
A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA

Barrister & Solicitor

## PETROLEUM AND NATURAL GAS LEASE

NO.

Term Commencement Date:

Lessee:

WHEREAS His Majesty is the owner of the minerals in respect of which rights are granted under this Lease;

THEREFORE, subject to the terms and conditions of this Lease, His Majesty grants to the Lessee, insofar as His Majesty has the right to grant the same, the exclusive right to drill for and recover the Leased Substances within the Location, together with the right to remove from the Location any Leased Substances recovered, for the term of five years computed from the Term Commencement Date and, subject to the *Mines and Minerals Act*, for so long after the expiration of that term as this Lease is permitted to continue under that Act.

**RESERVING AND PAYING to His Majesty,**

- (a) in respect of each year during which this Lease remains in effect, a clear yearly rental computed at the rate prescribed by, and payable in accordance with, the *Mines and Minerals Act*, and
- (b) the royalty on all Leased Substances recovered pursuant to this Lease, that is now or may hereafter from time to time be prescribed by, and that is payable in accordance with, the *Mines and Minerals Act*, such royalty to be calculated free of any deductions except those that are permitted under the *Mines and Minerals Act*.

1(1) In this Lease, a reference to the *Mines and Minerals Act* or to any other Act of the Legislature of Alberta referred to in section 2(2)(b) of this Lease shall be construed as a reference to

- (a) that Act, as amended from time to time,
- (b) any replacement of all or part of that Act from time to time enacted by the Legislature, as amended from time to time, and
- (c) any regulations, orders, directives or other subordinate legislation from time to time made under any enactment referred to in clause (a) or (b), as amended from time to time.

(2) In this Lease,

- (a) "His Majesty" means His Majesty in right of Alberta, as represented by the Minister of Energy of the Province of Alberta;
- (b) "Leased Substances" means the minerals described under the heading "Description of Location and Leased Substances" in the Appendix to this Lease;
- (c) "Location" means the subsurface area or areas underlying the surface area of the Tract and described in the Appendix to this Lease under the heading "Description of Location and Leased Substances";

- (d) "Oil Sands Area" means an oil sands deposit designated by the Alberta Energy and Utilities Board under section 7 of the *Oil Sands Conservation Act*, c. O-5.5;
- (e) "Term Commencement Date" means the date shown on the first page of this Lease as the Term Commencement Date;
- (f) "Tract" means the tract or tracts of land described under the heading "Description of Location and Leased Substances" in the Appendix to this Lease.

2. This Lease is granted upon the following conditions:

- (1) The Lessee shall pay to His Majesty the rental and royalty reserved under this Lease.
- (2) The Lessee shall comply with the provisions of
  - (a) the *Mines and Minerals Act*, and
  - (b) any other Acts of the Legislature of Alberta that prescribe, apply to or affect the rights and obligations of a lessee of petroleum and natural gas rights that are the property of His Majesty, or that relate to, apply to or affect the Lessee in the conduct of its operations or activities under this Lease.
- (3) The provisions of the Acts referred to in subsection (2) of this section are deemed to be incorporated in this Lease.
- (4) In the event of conflict between a provision of this Lease and a provision referred to in subsection (2) of this section, the latter provision prevails.
- (5) The Lessee shall not claim or purport to exercise any rights, prerogatives, privileges or immunities that would otherwise exempt the Lessee from compliance with any of the provisions of the *Mines and Minerals Act* or of any other Act of the Legislature of Alberta referred to in subsection (2)(b) of this section.
- (6) Natural gas produced pursuant to this Lease shall be used within Alberta unless the consent of the Lieutenant Governor in Council to its use elsewhere is previously obtained.
- (7) The Lessee shall keep His Majesty indemnified against
  - (a) all actions, claims and demands brought or made against His Majesty by reason of anything done or omitted to be done, whether negligently or otherwise, by the Lessee or any other person in the exercise or purported exercise of the rights granted and duties imposed under this Lease, and
  - (b) all losses, damages, costs, charges and expenses that His Majesty sustains or incurs in connection with any action, claim or demand referred to in clause (a).

- (8) The use in this Lease of the word "Lessee", "Lease", "Leased Substances" or "rental," or of any other word or expression,
  - (a) does not create any implied covenant or implied liability on the part of His Majesty, and
  - (b) does not create the relationship of landlord and tenant between His Majesty and the Lessee for any purpose.
- (9) This Lease is also subject to the special provisions, if any, contained in the Appendix to this Lease.

- 5 -

APPENDIX

TO

PETROLEUM AND NATURAL GAS LEASE NO.

TERM COMMENCEMENT DATE:

AGGREGATE AREA:

DESCRIPTION OF LOCATION AND LEASED SUBSTANCES:

PETROLEUM AND NATURAL GAS

SPECIAL PROVISIONS:

NIL

COPY FOR:  
ALBERTA ENERGY

160CS (Rev 2-88)  
Page 1  
006

PETROLEUM AND NATURAL GAS LEASE

No. 0593060434

Date of Issue: 1993 August 12

Term Commencement Date: 1993 June 1

THIS LEASE is made in duplicate as of the Date of Issue

BETWEEN:

HER MAJESTY THE QUEEN in right of Alberta hereinafter called  
"HER MAJESTY", represented herein by the Minister of Energy of the  
Province of Alberta, hereinafter called "the Minister",

This is Exhibit B  
referred to in the affidavit

of WAYNE TALJIT  
Sworn before me this 12 day  
of December 2025

*Luke Woulfe*  
Commissioner for Oaths in and for  
the Province of Alberta  
A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA  
*Booster & Solicitor*

OF THE FIRST PART

- and -

CAVALIER ENERGY LIMITED	27.0000%
	undivided interest
OMEGA HYDROCARBONS LTD.	22.6000%
	undivided interest
MISSION RESOURCES LIMITED	14.4000%
	undivided interest
BULLFROG RESOURCES INC.	2.3000%
	undivided interest
OLYMPIA ENERGY VENTURES LTD.	33.7000%
	undivided interest

hereinafter called "the Lessee",

OF THE SECOND PART

M

**MEMORANDUM OF REGISTRATION**

...CONTINUED

Crown Agreement Type and Number: **005 0593060434**

Registration Number: **2101490**

Registration Date: **2021-November-23**

Agreement now stands in the following names and undivided interests:

8012211 001 CANADIAN NATURAL RESOURCES LIMITED - 39.4618834%  
1020723 001 BLUE SKY RESOURCES LTD. - 60.5381166%

Designated Representative: **8012211 001**

CANADIAN NATURAL RESOURCES LIMITED  
855 2 ST SW SUITE 2100  
CALGARY AB T2P 4J8

**Sabrina Tsang-Mackenzie**

---

**For MINISTER OF ENERGY**

**TRANSFER**

WHEREAS Her Majesty is the owner of the minerals in respect of which rights are granted under this Lease;

THEREFORE, in consideration of the rents and royalties reserved by this Lease and subject to the terms and conditions contained in this Lease, Her Majesty grants to the Lessee, insofar as Her Majesty has the right to grant the same, the exclusive right to drill for, win, work and recover the Leased Substances within and under the Location, together with the right to remove from the Location any Leased Substances won, worked or recovered.

TO HAVE AND ENJOY the same for the term of five years, computed from the Term Commencement Date and, subject to the Mines and Minerals Act, for so long after the expiration of that term as this Lease is permitted to continue under that Act.

YIELDING AND PAYING to Her Majesty, during each and every year of the term of this Lease and of the continuation of that term, the clear yearly rent computed at the rate prescribed by the Mines and Minerals Act, payable on or before the execution of this Lease and on or before each anniversary of the Term Commencement Date; and also yielding and paying to Her Majesty in accordance with the Mines and Minerals Act a royalty on all Leased Substances won, worked and recovered pursuant to this Lease, at such rate or rates as are now and may hereafter from time to time be prescribed by the Lieutenant Governor in Council, such royalty to be free of all deductions.

HER MAJESTY AND THE LESSEE HEREBY COVENANT AND AGREE as follows:

- 1 (1) In this Lease, a reference to the Mines and Minerals Act or to any Act of the Legislature of Alberta referred to in section 3(1)(b) of this Lease shall be construed as a reference to
  - (a) that Act, as amended from time to time,
  - (b) any replacement of all or part of that Act from time to time enacted by the Legislature, as amended from time to time, and
  - (c) any regulations, orders, directives, by-laws or other subordinate legislation from time to time made under any enactment referred to in clause (a) or (b), as amended from time to time.
- (2) In this Lease,
  - (a) "Date of Issue" means the date shown on the first page of this Lease as the Date of Issue;
  - (b) "Leased Substances" means the minerals described under the heading "Leased Substances" in the Appendix to this Lease;
  - (c) "Location" means the tract or tracts of land described under the heading "Description of Location" in the Appendix to this Lease;
  - (d) "Term Commencement Date" means the date shown on the first page of this Lease as the Term Commencement Date;
  - (e) a reference to the Minister of Energy includes a Deputy Minister of the Department of Energy and any other person authorized by the Minister or Deputy Minister to act on behalf of the Minister.

- 2 This Lease is granted upon the following conditions:
  - (a) that natural gas produced pursuant to this Lease shall be used within Alberta unless the consent of the Lieutenant Governor in Council to its use elsewhere is previously obtained, and
  - (b) that the Lessee agrees to waive and hereby waives all rights, prerogatives, privileges and immunities that would otherwise exempt the Lessee from compliance with any of the provisions of the Mines and Minerals Act or of any of the Acts referred to in section 3(1)(b) of this Lease.
- 3 (1) The Lessee shall comply with the provisions of
  - (a) the Mines and Minerals Act, and
  - (b) any other Acts of the Legislature of Alberta that prescribe, apply to or affect the rights and obligations of a Lessee of petroleum and natural gas rights that are the property of Her Majesty, or that relate to or affect the Lessee in the conduct of his operations or activities under this Lease.  
(2) The provisions of the Acts referred to in subsection (1) of this section shall be deemed to be incorporated in this Lease.  
  
(3) In the event of conflict between a provision of this Lease and a provision referred to in subsection (1) of this section, the latter provision prevails.
- 4 The Lessee shall keep Her Majesty indemnified against
  - (a) all actions, claims and demands brought or made against Her Majesty by reason of anything done by the Lessee or any other person in the exercise or purported exercise of the rights granted under this Lease, and
  - (b) all losses, damages, costs, charges and expenses that Her Majesty sustains or incurs in connection with any action, claim or demand referred to in clause (a).
5. The Lessee shall
  - (a) pay the rent reserved under this Lease at the times prescribed by this Lease, and
  - (b) pay the royalty reserved under this Lease in accordance with the Mines and Minerals Act.
- 6 (1) The Minister may cancel this Lease if
  - (a) there is a breach of the condition contained in section 2(a) of this Lease,
  - (b) the Lessee has not complied with a notice given to him under the Mines and Minerals Act with respect to this lease, or
  - (c) subject to subsection (2), the Lessee has not complied with the Mines and Minerals Act in relation to this Lease or with any covenant under this Lease.

- (2) The Minister may not cancel this Lease pursuant to subsection (1)(c) of this section unless
  - (a) he has sent a notice to the Lessee by mail stating the nature of the default and stating that the Minister will cancel this Lease if the default is not remedied before the expiration of the 30-day period following the date on the notice, and
  - (b) the default is not remedied with the 30-day period.
- 7 No waiver on behalf of Her Majesty of any breach of any of the terms or conditions contained in this Lease shall take effect or be binding upon Her Majesty unless the waiver is expressed in writing by the Minister, and any waiver so expressed shall not limit or affect Her Majesty's rights with respect to any other or future breach.
- 8 The use in this Lease of the word "Lessee", "Lease", "Leased Substances" or "rent", or of any other word or expression,
  - (a) does not create any implied covenant or implied liability on the part of Her Majesty, and
  - (b) does not create the relationship of landlord and tenant between Her Majesty and the Lessee for any purpose.
- 9 This Lease is subject to the special provisions, if any, contained in the Appendix to this Lease.

CHECKED	
FORM	<i>SL</i>
EXEC'N	<i>AS</i>

IN WITNESS WHEREOF the Minister and the Lessee have executed this Lease as of the Date of Issue.

*David Banks*

For Minister of Energy on behalf of Her Majesty  
OLYMPIA ENERGY VENTURES LTD.

Witness as to Lessee's Signature

*Janet Curlew*  
Lessee LYNN W. THURLOW  
CONTROLLER

*Bowlhouse*

BRADLEY W. OSBORNE  
VICE PRESIDENT - CORPORATE DEVELOPMENT

Deloitte & Touche Inc.  
Receiver & Manager of the Assets of

CAVALIER ENERGY LIMITED

"In its representative not its personal capacity"

*Greg Pollard*  
Senior Vice-President

OMEGA HYDROCARBONS LTD.

*W. C. Bell*

President

*J. K. McElroy*  
Vice President



MISSION RESOURCES LIMITED

*R. Garth Rhodes*  
R. GARTH RHODES - President

*Norman S. Johnson*  
NORMAN S. JOHNSON - Assistant Secretary

*Bullfrog Resources Inc.*  
Peter Shawan President

This is Exhibit C  
referred to in the affidavit  
of WAYNE TALJIT  
Sworn before me this 12 day  
of December 2025

Signature  
Commissioner for Oaths in and for  
the Province of Alberta

Luke Woulfe  
A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA  
*Barrister & Solicitor*



Province of Alberta

## MINES AND MINERALS ACT

### Revised Statutes of Alberta 2000 Chapter M-17

Current as of June 11, 2025

#### Office Consolidation

© Published by Alberta King's Printer

Alberta King's Printer  
Suite 700, Park Plaza  
10611 - 98 Avenue  
Edmonton, AB T5K 2P7  
Phone: 780-427-4952

E-mail: [kings-printer@gov.ab.ca](mailto:kings-printer@gov.ab.ca)  
Shop on-line at [kings-printer.alberta.ca](http://kings-printer.alberta.ca)

- 118** Restriction on transfer of agreement
- 119** Duties on cessation of injection
- 120** Closure certificate
- 121** Assumption of liability
- 122** Post-closure Stewardship Fund
- 123** Orphan facilities
- 124** Regulations

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

**Interpretation**

- 1(1)** In this Act,
  - (a) “agreement” means an instrument issued pursuant to this Act or the former Act that grants rights in respect of a mineral, subsurface reservoir, or geothermal resource, but does not include a notification, a transfer referred to in section 12, a unit agreement or a contract under section 9(a);
  - (a.01) “base of groundwater protection” means the base of groundwater protection as defined in the *Water Wells and Ground Source Heat Exchange System Directive* published by Alberta Environment and Protected Areas, as amended or replaced from time to time;
  - (a.1) “captured carbon dioxide” means a fluid substance consisting mainly of carbon dioxide captured from an emissions source;
  - (b) “certificate of record” means a certificate of record within the meaning of the regulations;
  - (c) “certificate of title” means a certificate granted pursuant to the *Land Titles Act*;
  - (d) “crude bitumen” means a naturally occurring viscous mixture, mainly of hydrocarbons heavier than pentane, that may contain sulphur compounds and that, in its naturally occurring viscous state, will not flow to a well;
  - (e) “Department” means the Department administered by the Minister;
  - (f) “disposition” means a grant, a transfer referred to in section 12 or an agreement;

**Restrictions on disposition**

**17(1)** The Minister may, in respect of any specified area and in any manner that the Minister considers warranted,

- (a) restrict the issuance of agreements granting rights to minerals, pore space or geothermal resources;
- (b) withdraw any or all minerals or pore space from disposition;
- (c) withdraw any or all rights to explore for, develop and recover geothermal resources from disposition.

(2) During the period that a mineral or pore space is withdrawn from disposition pursuant to subsection (1)(b), no person has the right to acquire an agreement granting rights to that mineral or pore space in all or any part of the area specified.

(3) During the period that a right to explore for, develop and recover geothermal resources is withdrawn from disposition pursuant to subsection (1)(c), no person has the right to acquire an agreement granting rights to explore for, develop and recover geothermal resources in all or any part of the area specified.

RSA 2000 cM-17 s17:2010 c14 s2:2020 cG-5.5 s31

**Refusal to grant and cancellation of agreement**

**18(1)** The Minister may

- (a) refuse to issue or may withhold the issuance of an agreement, or
- (b) cancel an agreement issued in error and refund money paid in connection with that agreement.

(2) Without restricting the generality of subsection (1)(a), the Minister may refuse to issue an agreement to a person who is indebted to the Crown in right of Alberta, the Alberta Energy Regulator or the Alberta Utilities Commission.

RSA 2000 cM-17 s18; 2007 cA-37 2 s82(16); 2012 cR-17.3 s94

**Form of agreement**

**19(1)** An agreement shall be in the form determined by the Minister.

(2) The Minister may in the case of any particular agreement vary the form determined for that class of agreement under subsection (1).

(3) The form of an agreement may confer or impose rights and obligations on the Minister or the lessee in addition to those provided for under this Act.

1983 c36 s6

#### Agreements

**20(1)** An agreement shall be issued in the manner and in the medium provided for in the regulations.

(2) An agreement issued in accordance with subsection (1) is binding on the Crown in right of Alberta and the lessee.

(2.1) Where 2 or more persons are recorded with the Department as lessees of an agreement,

(a) those lessees in relation to the Crown are jointly responsible for the obligations and liabilities that arise under that agreement, notwithstanding that the agreement was issued before, on or after the coming into force of this subsection, and

(b) a judgment in favour of the Crown against one or more of those lessees or a release by the Crown in favour of one or more of those lessees does not preclude the Crown from obtaining judgment against the other lessees in the same or a separate proceeding.

(3) The date of commencement of the term of an agreement shall, subject to the regulations, be the date specified by the Minister.

(4) When an agreement that is required to be executed by the holder is issued, the person in whose favour it is made

(a) subject to subsection (5), is deemed to be the holder of it as against the Crown and all other persons as of the term commencement date, and

(b) is bound by the agreement as if it were fully executed.

(5) When an agreement that is required to be executed by the holder is issued and the holder does not execute the agreement and return it to the Minister within 90 days from the prescribed date,

(a) the Minister may cancel the agreement in the records of the Department, and

(d) require a person at the place of business to give the Minister or person authorized by the Minister all reasonable assistance in carrying out the Minister's or authorized person's powers under clauses (b) and (c),

and the Court, on being satisfied that an order is necessary for the proper administration of this Act, may make any order it considers appropriate.

(2) The Minister or any person authorized by the Minister may make copies of records seized under subsection (1) and may, instead of returning the original of a record, provide the person from whom it was seized or the person's agent or employee with a copy of the record.

RSA 2000 cM-17 s49.AR 217/2022

**Confidential information**

**50(1)** Except as provided under the regulations, no person shall communicate or allow to be communicated any record, return or information obtained under this Act to a person not legally entitled to that information or allow any person not legally entitled to that record, return or information to have access to any record, return or information obtained under this Act.

(1.1) For the purposes of subsection (1), a person is not legally entitled to a record, return or other information simply because the person has a right of access to it under the *Access to Information Act*.

(2) A person who knowingly receives records or information obtained under this Act holds the records or information subject to the same restrictions under subsection (1) that apply to the person from whom the records or information were received.

(3) With respect to any record, return or information obtained under this Act that would reveal geological work or geophysical work, subsection (1) prevails despite the *Access to Information Act* for a period of 15 years following the end of the year in which the record, return or information was obtained.

(4) With respect to information that

- (a) was obtained on a royalty return,
- (b) appears on a royalty account, invoice or statement,
- (c) was obtained for the purposes of determining or verifying royalty liability or collecting or forecasting royalty,

- (d) was obtained for the purposes of determining, prescribing or verifying an amount, factor or other component that is used to calculate royalty, or
- (e) was obtained for the purposes of, or in connection with, the collecting, managing, processing, reprocessing, transporting, storing or disposing of the Crown's royalty share of a mineral, or of a product obtained from a mineral, taken in kind,

subsection (1) prevails despite the *Access to Information Act* for a period of 5 years following the end of the year to which the information relates.

(5) In this section,

- (a) “geological work” means reporting on, advising on, evaluating, interpreting, geological surveying, sampling or examining lithological, palaeontological, petrophysical or geochemical information related to any activity
  - (i) that is aimed at the discovery or development of minerals or water, or
  - (ii) that is aimed at the investigation of geological conditions,and that requires the application of the principles of the geological sciences;
- (b) “geophysical work” means geophysical reporting on, advising on, acquiring, processing, evaluating or interpreting geophysical data or geophysical surveying that relates to any activity
  - (i) that is aimed at the discovery or development of minerals or water, or
  - (ii) that is aimed at the subsurface investigation of the earth,and that requires the application of the principles of the geophysical sciences;
- (c) “royalty” means royalty reserved to the Crown in right of Alberta on a mineral or a product obtained from a mineral, and includes royalty proceeds as defined in the regulations;
- (d) “royalty return” means a report or other record obtained under this Act or under an agreement entered into under

This is Exhibit D  
 referred to in the affidavit  
 of WAYNE TALJIT  
 Sworn before me this 12 day  
 of December 2025

Luke Woulfe  
 Commissioner for Oaths in and for  
 the Province of Alberta  
 A COMMISSIONER FOR OATHS  
 IN AND FOR THE  
 PROVINCE OF ALBERTA  
Sworn & Subscribed



Province of Alberta

## MINES AND MINERALS ACT

# NATURAL GAS ROYALTY REGULATION, 2017

### Alberta Regulation 211/2016

With amendments up to and including Alberta Regulation 81/2020

Current as of May 13, 2020

### Office Consolidation

© Published by Alberta King's Printer

Alberta King's Printer  
 Suite 700, Park Plaza  
 10611 - 98 Avenue  
 Edmonton, AB T5K 2P7  
 Phone: 780-427-4952

E-mail: [kings-printer@gov.ab.ca](mailto:kings-printer@gov.ab.ca)  
 Shop on-line at [kings-printer.alberta.ca](http://kings-printer.alberta.ca)

(m) “crude oil” means a mixture mainly of pentanes and heavier hydrocarbons

- (i) that may be contaminated with sulphur compounds,
- (ii) that is recovered or is recoverable at a well from an underground reservoir, and
- (iii) that is liquid at the conditions under which its volume is measured or estimated,

and includes all other hydrocarbon mixtures so recovered or recoverable except natural gas, field condensate or crude bitumen;

(n) “dispose of”, in relation to any natural gas or gas product, means

- (i) to sell and deliver the natural gas or gas product to a buyer, or
- (ii) to otherwise dispose of and deliver the natural gas or gas product to a person who by reason of the disposition becomes its owner;

(o) “document” includes information transmitted electronically;

(p) “drilling spacing unit” means a drilling spacing unit prescribed or established pursuant to regulations under the *Oil and Gas Conservation Act*;

(q) “facility” means

- (i) a battery,
- (ii) a gathering system,
- (iii) a gas processing plant,
- (iv) a reprocessing plant,
- (v) a gas injection facility, or
- (vi) a commercial storage facility;

(r) “field condensate” means products, other than gas products and oil sands products, obtained from natural gas or solution gas before it is delivered to a gathering system;

(s) “gas injection facility” means

- (tt) "receipt meter station" means each place on a pipeline at which natural gas or residue gas can be received and the quantity so received can be measured;
- (uu) "re-entry" means all drilling or fracture operations in a well resulting in a change to TVD, TLL or TPPe that occurs at least one year after the first date a well commences production after initial activity or previous re-entry activity;
- (vv) "Regulator" means the Alberta Energy Regulator;
- (ww) "reprocessing plant" means a plant for the reprocessing of residue gas, with or without the capacity of processing natural gas, but does not include a mainline straddle plant;
- (xx) "residue gas" means a gaseous mixture consisting primarily of methane and obtained as a separate product at a gas processing plant or reprocessing plant;
- (yy) "royalty calculation point", in relation to any natural gas, gas product or field condensate, means the place determined under section 10 as the place at which the Crown's royalty share of the natural gas, gas product or field condensate is to be calculated;
- (zz) "royalty client" means
  - (i) with reference to a well group, a person shown in the records of the Department as a royalty client for that well group, or
  - (ii) with reference to the Crown's royalty share of excess or unallocated quantities of natural gas or gas products referred to in section 31, a person who is deemed to be a royalty client in respect of those quantities by reason of the operation of section 31(1)(c) or (2)(c);
- (aaa) "royalty client account" means an account maintained for a royalty client pursuant to section 17(6);
- (bbb) "royalty compensation" means money payable to the Crown under this Regulation as compensation in respect of the Crown's royalty share of natural gas, a gas product or field condensate, the Crown's title to which is transferred pursuant to section 16;
- (ccc) "royalty invoice" means a monthly invoice issued and sent to a royalty client pursuant to section 17(1);

then, for the purposes of this Regulation, the question is to be decided by the Minister.

(6) The Minister shall decide any question arising under this Regulation as to whether any particular plant, pipeline or installation is a battery, a gathering system, a gas processing plant, a reprocessing plant, a gas injection facility or a receipt meter station for the purposes of this Regulation.

(7) Where any question arises pertaining to the interpretation or application of this Regulation, the Minister is the sole judge of the question and there is no appeal from the Minister's decision.

AR 211/2016 s1,52/2019;81/2020

#### Lessee's liability unaffected

2 Nothing in this Regulation operates to relieve a lessee from

- (a) the lessee's liability to the Crown under an agreement for the payment of royalty, or
- (b) the lessee's liability under this Regulation to pay royalty compensation to the Crown.

#### Application of Regulation

3(1) This Regulation applies to royalty on natural gas recovered, and gas products and field condensate obtained

- (a) on or after January 1, 2017,
  - (i) if the well has a spud date of January 1, 2017 or later;
  - (ii) if the well has a spud date earlier than January 1, 2017, and has been subject to re-entry on or after January 1, 2017 and either or both of the following apply:
    - (A) the well has been given a new spud or finished drilling date and the well has been given a new TVD or TMD;
    - (B) new proppant has been placed in the well that meets the minimum equivalency threshold set out in Schedule 1;

as long as the well has a C\* amount in dollars remaining as calculated under section 2 of Schedule 1,

- (b) in accordance with Schedule 2, with respect to methane and ethane;
- (c) in accordance with Schedule 3, with respect to propane;
- (d) in accordance with Schedule 4, with respect to butanes;
- (e) in accordance with Schedule 5, with respect to pentanes plus;
- (f) in accordance with Schedule 6, with respect to sulphur;
- (g) in accordance with Schedule 6.1, with respect to helium.

(4) Royalty compensation is not payable in respect of

- (a) gas products other than residue gas, ethane, propane, butanes, pentanes plus, sulphur and helium, and
- (b) light ends.

(5) Where the Crown is entitled to a royalty on field condensate,

- (a) unless the Minister directs otherwise in a particular case, the Crown's title to the Crown's royalty share of the field condensate is automatically transferred at a point immediately downstream from its royalty calculation point to the person who is, in relation to that royalty share, the owner of the lessee's share of the field condensate, and
- (b) the royalty compensation in respect of the royalty share so transferred is an amount calculated by multiplying the quantity of the Crown's royalty share by the Pentanes Plus Spec Reference Price for the production month in which the field condensate was obtained.

AR 211/2016 s16.81/2020

#### Payment of royalty compensation

17(1) The Minister shall, on or before the last day of the 2nd month following a production month, issue and send an invoice to each royalty client showing for that production month the Minister's calculations of at least the following:

- (a) the aggregate quantities available for sale allocated to the royalty client for the production month and the Crown's royalty share of those quantities available for sale;
- (b) the royalty compensation payable by the royalty client under this Regulation.

(2) Where the Minister is satisfied that incorrect information in Petrinex or information omitted from Petrinex may affect the calculation of royalty compensation payable by a royalty client for a production month,

- (a) the Minister may, subject to clause (b), calculate the royalty compensation on the basis of one or more assumptions that, when applied to the calculation, will ensure that the Crown is not financially prejudiced by the incorrect or omitted information, and
- (b) when the incorrect or omitted information is corrected or entered, as the case may be, in Petrinex, the Minister shall recalculate the royalty compensation accordingly and have any resulting difference reflected in the royalty client's royalty client account.

(3) On receipt of a royalty invoice in respect of a production month, the royalty client shall pay the Crown the net amount shown in the invoice on or before

- (a) the last day in which the offices of the Department are open during the 3rd month following the production month, where the production month to which the invoice relates is December, or
- (b) the last day of the 3rd month following the production month, in any other case.

(4) Where for any reason the Minister fails to issue and send royalty invoices to royalty clients in respect of a production month by the deadline prescribed by subsection (1) then, despite subsections (1) and (3),

- (a) the Minister may, by general directions to the royalty clients affected, require them to pay amounts on account of royalty compensation in respect of that production month by the deadline prescribed by subsection (3) on the basis of estimates by those royalty clients of the amounts owing or on any other basis specified in the directions, and
- (b) the royalty clients affected shall pay the amounts in accordance with the directions.

(5) After the end of each year the Minister may, with respect to each royalty client,

- (a) calculate, recalculate or make additional calculations of the actual quantities available for sale for all of the

production months in that year that are allocated to the royalty client,

- (b) calculate, recalculate or make additional calculations of the actual royalty compensation in respect of the Crown's royalty share of the quantities available for sale determined for the year pursuant to clause (a),
- (c) if the aggregate amount of the actual royalty compensation determined for the year under clause (b) exceeds the aggregate of the amounts of royalty compensation for all production months in the year shown in the royalty invoices for those production months, show the excess amount payable to the Crown as an adjustment in the client's next royalty invoice and also show in that invoice how the excess amount was determined, and
- (d) if the aggregate amount of the actual royalty compensation determined for the year under clause (b) is less than the aggregate of the amounts of royalty compensation for all production months in the year shown in the royalty invoices for those production months, credit the excess amount to the client in the client's next royalty invoice and also show in that invoice how the excess amount was determined.

(6) The Minister shall maintain for each royalty client an account called a "royalty client account" that reflects the amounts debited and credited to the account.

(7) If the royalty client account for a royalty client shows a net credit balance in the client's favour as of the end of a month, then, unless the Minister or the royalty client directs otherwise, the Crown shall pay the royalty client an amount equal to that credit balance.

**Injection credits**

**18(1)** If natural gas or a gas product is injected during a production month after December 31, 2016 or after July 13, 2016 for an opted in well, into a pool through a gas injection facility for the account of or for the benefit of a royalty client other than as part of a scheme under the *Enhanced Hydrocarbon Recovery Royalty Regulation*, the Minister shall establish for the royalty client a credit for that production month, called an "injection credit", in an amount determined in accordance with this section.

**(2)** Except as provided in subsection (5), an injection credit for a royalty client in respect of natural gas or a gas product injected into a pool through a gas injection facility in a production month shall be calculated by

are delivered from that gathering system in that production month

- (i) other than to a gas processing plant or reprocessing plant or to another gathering system, or
- (ii) to a delivery point outside Alberta;

(d) the operator of a battery is responsible for quantities available for sale for a production month if they are delivered from that battery in that production month.

#### Allocations of quantities available for sale

**30(1)** Unless the Minister directs otherwise in a particular case, quantities available for sale for a production month must be allocated in accordance with the following:

- (a) where an operator of a reprocessing plant is responsible for the quantities available for sale, the operator may make allocations of those quantities to one or more well groups but must allocate the remainder, if any, to the gas processing plants, gathering systems or batteries from which the quantities were delivered;
- (b) where an operator of a gas processing plant is responsible for the quantities available for sale, the operator may make allocations of those quantities, and the quantities available for sale allocated to the operator's gas processing plant pursuant to clause (a), to one or more well groups but must allocate the remainder, if any, to the gathering systems or batteries from which the quantities were delivered for processing;
- (c) where a gathering system operator is responsible for the quantities available for sale, the operator may make allocations of those quantities, and the quantities available for sale allocated to the operator's gathering system pursuant to clause (a) or (b), to one or more well groups but must allocate the remainder, if any, to the gathering systems or batteries from which the quantities were delivered;
- (d) where a battery operator is responsible for the quantities available for sale, the operator must allocate all of those quantities to one or more well groups;
- (e) where an operator allocates quantities available for sale to a well group pursuant to clause (a), (b), (c) or (d), the operator must further allocate those quantities to the royalty clients for the well group;

(f) where a well group consists of well events within a unit area, allocations under clause (e) to royalty clients must be in accordance with the tract factors under the unit agreement or unit operation order.

(2) Despite subsection (1), the Minister may in a particular case direct that a facility operator is to be responsible for specified quantities available for sale and, in that event, the operator must comply with subsection (1) with respect to those quantities available for sale.

(3) Allocations of quantities available for sale under subsection (1) must be made in accordance with the following:

- (a) where an allocation is made to one facility or well group only, the stream allocation factor for that allocation is 1.0;
- (b) where allocations are made to 2 or more facilities or well groups or any combination of them, the stream allocation factor for each allocation to a facility or well group is in the proportion that the quantities allocated to that facility or well group bear to all of the quantities required to be allocated, expressed as a decimal fraction;
- (c) where an allocation is made pursuant to subsection (1)(e) to one royalty client only, the owner allocation factor for that allocation is 1.0;
- (d) where allocations are made pursuant to subsection (1)(e) to 2 or more royalty clients, the owner allocation factor for each allocation to a royalty client is in the proportion that the quantities allocated to that royalty client bear to all of the quantities required to be allocated to the royalty clients for the well group, expressed as a decimal fraction;
- (e) the facility operator making the allocations must furnish to the Minister
  - (i) the stream allocation factor or factors for the allocations made to facilities and well groups and any other data related to the factor or factors that the Minister requires, and
  - (ii) the owner allocation factor or factors for the allocations made to royalty clients pursuant to subsection (1)(e) and any other data related to the factor or factors that the Minister requires.

(4) If natural gas or a gas product is received at a gas injection facility or commercial storage facility in a production month for the account of a royalty client for the purpose of injection or storage, as

the case may be, the operator of the facility must furnish to the Minister

- (a) the stream allocation data and owner allocation data respecting the quantities so injected at that facility in that production month, as though those quantities had been recovered from each well event of all wells at that facility in that production month, and
- (b) information respecting the volumes and quantities of in stream components of the natural gas or residue gas injected at that facility in that production month.

(5) Allocation data referred to in subsection (3) or (4) must be furnished to the Minister on or before the 10th day of the 2nd month following the end of the production month to which the allocation data relates.

(6) A facility operator may furnish to the Minister amended allocation data for a production month.

(7) If allocation data required to be furnished by subsection (3) is not received by the Minister by the deadline prescribed by subsection (5), the allocation data shall be deemed to be furnished by that deadline for the purpose only of determining responsibility for quantities available for sale and to show nil allocations of quantities available for sale.

AR 211/2016 s30;210/2018

#### Provisional royalty compensation

**31(1)** If a facility operator is responsible for allocating quantities available for sale pursuant to section 30 but fails to allocate all of those quantities pursuant to that section,

- (a) the unallocated quantities of natural gas are deemed to be recovered pursuant to Crown leases and the unallocated quantities of gas products are deemed to be obtained from natural gas recovered pursuant to Crown leases,
- (b) the unallocated quantities are deemed to be allocated to the facility operator,
- (c) the facility operator is deemed for the purposes of this Regulation to be the royalty client with respect to the Crown's royalty share of those unallocated quantities, and
- (d) the facility operator, in the capacity of a royalty client, is liable to the Crown for the payment of royalty compensation in respect of the Crown's royalty share of

## INVOICE

## ROYALTY PAYER INFORMATION

CODE: A7XK  
 NAME: BLUE SKY RESOURCES LTD.  
 ADDRESS: DOME TOWER  
 333 7 AVE SW SUITE 3000  
 CALGARY AB T2P2Z1  
 CA

## REGULATORY AGENCY INFORMATION

ISSUER: ALBERTA ENERGY  
 AND MINERALS  
 ISSUE DATE: 2025-06-30  
 INVOICE DUE DATE: 2025-07-31  
 BILLING PERIOD: 2025-04  
 INVOICE NUMBER: 00000550886  
 ACCOUNT NUMBER: G94166910

	Prior Period \$	Current Period \$	Total \$
Charges:			
Crown Royalty	18,594.28	219,475.07	238,069.35
Allowable Cost Restriction		181,581.74	181,581.74
Condensate Royalty	0.00		0.00
Total Charges:	18,594.28	401,056.81	419,651.09
Credits:			
Monthly Capital Cost Deduction		-25,506.86	-25,506.86
Monthly Custom Processing Fee Deduction		5,338.58	5,338.58
Monthly Operating Cost Deduction		-380,888.53	-380,888.53
Total Credits:	0.00	-401,056.81	-401,056.81
Adjustments:			
Annual Capital Cost Adjustment	1,163.97	17,783.17	18,947.14
Annual Custom Processing Fee Adjustment	-3,116.70	1,090,992.74	1,087,876.04
Annual Operating Cost Adjustment	12,242.64	-1,579,129.96	-1,566,887.32
Annual Allowable Cost Restriction Adjustment	-0.47	2,244,658.00	2,244,657.53
Royalty Deposit Adjustment		135,589.37	135,589.37
Interest: Prior Period	3,046.01		3,046.01
Total Adjustments:	13,335.45	1,909,893.32	1,923,228.77
TOTAL:	\$31,929.73	\$1,909,893.32	\$1,941,823.05

This is Exhibit E  
 referred to in the affidavit

of WAYNE TALJIT  
 Sworn before me this 12 day  
 of December 2025

Signature  
 Commissioner for Oaths in and for  
 the Province of Alberta

## STATEMENT OF ACCOUNT

## ROYALTY PAYER INFORMATION

CODE: A7XK  
 NAME: BLUE SKY RESOURCES LTD.  
 ADDRESS: DOME TOWER  
 333 7 AVE SW SUITE 3000  
 CALGARY AB T2P 2Z1  
 CA

## REGULATORY AGENCY INFORMATION

ISSUER: ALBERTA ENERGY AND MINERALS  
 ISSUE DATE: 2025-07-10  
 STATEMENT NUMBER: 6282381  
 ACCOUNT NUMBER: G94166910

## ROYALTY DEPOSIT ACCOUNT

OPENING	ADJUSTMENT	CLOSING
\$679,103.17	\$135,589.37	\$814,692.54

## ACCOUNT SUMMARY

OPENING BALANCE	TOTAL \$
CURRENT INVOICE CHARGES: 2025/04/01 INVOICE NUMBER: 550886	86,450.24
PRIOR PERIOD CHARGES \$:	1,941,823.05
CURRENT PERIOD CHARGES \$:	31,929.73
CLOSING BALANCE	1,909,893.32
	\$2,028,273.29

CURRENT PERIOD INTEREST ACCRUED BUT NOT POSTED: TO 2025/07/10	TOTAL \$				
PRINCIPAL \$	FROM	TO	INTEREST RATE	INTEREST AMOUNT \$	PER DIEM AMOUNT \$
86,450.24	2025/07/01	2025/07/10	5.950%	140.93	14.09300

AMOUNT PAYABLE: AS OF 2025/07/10	TOTAL \$
	\$2,028,414.22

COLLECTION NOTICE: YOUR ACCOUNT IS PAST DUE. ADDITIONAL INTEREST WILL CONTINUE TO ACCRUE ON CHARGES PAST DUE UNTIL PAYMENT IS RECEIVED. IF PAYMENT HAS ALREADY BEEN SUBMITTED, PLEASE DISREGARD THIS NOTICE.

MESSAGE(S): CHEQUES PAYABLE TO GOVERNMENT OF ALBERTA @ 9945-108 ST, EDMONTON AB T5K 2G6. FOR AUTO-DEBIT PAYMENT CONTACT CARS.HELPDESK@GOV.AB.CA. FOR FURTHER PAYMENT DETAILS CONTACT ENERGY.GASROYACC@GOV.AB.CA.

CC: ALBERTA TREASURY, TAX AND REVENUE ADMINISTRATION

Reference Number: 23382078

This is Exhibit F  
 referred to in the affidavit  
 of WAYNE TALJIT  
 Sworn before me this 12 day  
 of December, 2025  
Wayne Taljit  
 Commissioner for Oaths in and for  
 the Province of Alberta

Luke Woulfe  
 A COMMISSIONER FOR OATHS  
 IN AND FOR THE  
 PROVINCE OF ALBERTA  
Wayne Taljit

Alberta

GAS ROYALTY OPERATIONS  
PETROLEUM PLAZA NORTH TOWER  
9945 108 ST NW FLOOR 7  
EDMONTON AB T5K 2G6  
CA

August 12, 2025

BLUE SKY RESOURCES LTD.  
DOME TOWER  
333 7 AVE SW SUITE 3000  
CALGARY AB T2P 2Z1  
CA

Luke Moulton  
A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA  
*Luke Moulton, Commissioner for Oaths*

RE: CLIENT ID: A7XK  
GAS ROYALTY ACCOUNT: G94166910  
ACCOUNT BALANCE: \$1,803,972.85

This is Exhibit 6  
referred to in the affidavit  
of WAYNE TALSIT

Sworn before me this 12 day  
of December, 2025

*[Signature]*  
Commissioner for Oaths in and for  
the Province of Alberta

Attn: Senior Financial Officer:

The royalty balance on this account remains outstanding despite our requests to have it brought to a current status.

Interest is accruing on the outstanding balance in accordance with Section 29 of the Natural Gas Royalty Regulations, 2009. We request, without prejudice, payment of the outstanding balance including accrued interest within 30 days from the date of this letter.

We wish to advise that if a client is unable or unwilling to pay outstanding royalty balances, we will use the recourses available to the Crown to clear those balances. Failure to remit payment by the time specified may result in, but is not limited to, pursuing payment through all current leaseholders.

Section 2 of the Natural Gas Royalty Regulations, 2009 stipulates that a liability for royalty to the Crown remains with the lessee of the Crown lease. Section 45 of the Mines and Minerals Act stipulates that the Minister may cancel a lease agreement if there is a breach of any condition in the agreement.

Please contact Gas Royalty Collections at [Energy.GasRoyaltyCollections@gov.ab.ca](mailto:Energy.GasRoyaltyCollections@gov.ab.ca) to resolve this matter. If payment has been made, please disregard this notice.

Yours truly,

Manager, Royalty Accounting  
Gas Royalty Operations

Alberta

This is Exhibit H  
referred to in the affidavit

of WAYNE TALJIT

Sworn before me this 12 day  
of December, 2025

Luke Woulfe  
Commissioner for Oaths in and for  
the Province of Alberta

Luke Woulfe  
A COMMISSIONER FOR OATHS  
IN AND FOR THE

PROVINCE OF ALBERTA  
Executor & Notary

September 23, 2025

**BLUE SKY RESOURCES LTD.**

Dome Tower  
333 7<sup>th</sup> Ave S.W., Suite 3000  
Calgary, AB T2P 2Z1

Energy and Minerals  
Energy Operations  
PNG Tenure Operations  
Petroleum Plaza, NT  
9945 - 108 Street  
Edmonton, Alberta T5K 2G6  
Canada  
Telephone: 780-643-6392  
Email: Dennis.Stenerson@gov.ab.ca  
[www.alberta.ca](http://www.alberta.ca)

Attention: Mineral Land Department/Accounts Department

Dear Sir or Madam:

RE: Outstanding debt owed by Blue Sky Resources Ltd.

A review of our records indicates that Blue Sky Resources Ltd. have outstanding debts owed to Alberta Energy and Minerals. Your file also shows that departmental staff have made several attempts to collect the outstanding arrears, but these arrears remain outstanding.

The following debts are outstanding:

AGREEMENT NUMBER/ ACTIVITY TYPE	AMOUNT	INTEREST
No Bid Fee NBF 1020723	\$625.00	\$0.00
G94 166910	\$1,843.606.86	\$26,223.51
<b>TOTALS</b>	<b>\$1,844,231.36</b>	<b>\$26,223.51</b>
<b>TOTAL DEBT OWING (principle + interest)</b>	<b>\$1,870,455.37</b>	

Please make the payment necessary to eliminate this debt by October 22, 2025. If payment is not received the following Electronic Transfer System permissions may be removed from Blue Sky Resources Ltd.'s account:

- Post lands for a mineral sale
- Bid at a sale
- Crown Mineral Authorizations
- Transfer mineral agreements
- Obtain search products

If you have any questions about the outstanding search's or No Bid Fee's, please contact Sarika Kapoor at 780-422-9391 or by email at [sarika.kapoor@gov.ab.ca](mailto:sarika.kapoor@gov.ab.ca).

If you have any questions about the G94 charge, please contact Heather Gould at 780-427-8948 or by email at [heather.crawford@gov.ab.ca](mailto:heather.crawford@gov.ab.ca)

Payments can be made by cheque, or Electronic Fund Transfer (EFT).

If you are making payment by cheque, make it payable to the Government of Alberta. Note the agreement number(s) and the amount(s) owing on the back up documentation so our finance department can properly allocate funds.

If paying by cheque, either send it by mail to:

Alberta Energy and Minerals  
Petroleum Plaza North Tower  
9945 108 St NW  
Edmonton AB T5K 2G6  
Telephone: 780-427-8050

Or the cheque can be dropped off at Alberta Energy's Calgary office:

AMEC Place  
#300 801 – 6th Ave SW  
Calgary, AB T2P 3W2  
Telephone: 403-297-8955

Payment can also be made by EFT. Please contact [CARS.HelpDesk@gov.ab.ca](mailto:CARS.HelpDesk@gov.ab.ca) for EFT assistance.

If the debts outlined in this letter remain unpaid, Alberta Energy and Minerals may transfer this debt to Crown Debt collection with Alberta Treasury Board and Finance.

If you have any questions, please feel to reach out to me at the information above.

Sincerely,



Dennis Stenerson, Manager  
Agreement Administration  
Energy Operations

c: Heather Crawford, Team Lead  
Gas Royalty Operations  
c: Sarah Gartner, Manager  
PNG Sales and Crown Land Data

This is Exhibit I  
 referred to in the affidavit  
 of WAYNE TALJIT

Sworn before me this 12 day  
 of December 2025

Commissioner for Oaths in and for  
the Province of Alberta

Luke Woulfe  
A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA  
Minister of Justice

September 25, 2025.

EO/Royalty Operations Branch  
 7th Floor, North Petroleum Plaza  
 9945 – 108 Street  
 Edmonton, Alberta T5K 2G6  
 Canada  
 Telephone: 780-427-8050  
[www.alberta.ca](http://www.alberta.ca)

File No: Blue Sky Resources Ltd.  
 A7XK, G94 166910

Senior Financial Officer,  
 Blue sky Resources Limited  
 Dome Tower. 333 7 Ave SW Suite 3000  
 Calgary, Alberta T2P 2Z1

## Gas Royalty Arrears: Leaseholder Recourse Default Letter

To date, **Blue Sky Resources Limited**'s Gas Royalty Account **G94 166910** has an outstanding balance of **\$1,872,563.84**, including interest calculated to October 31, 2025. Despite our requests to have the account brought to current status, the account remains in arrears. If an agreement's royalty obligations remain unsatisfied, the Crown may pursue all available recourse to remedy these arrears.

**This recourse includes pursuing payment from all current leaseholders.**

### I. Notice of Default

This letter constitutes notice of default under MMA<sup>1</sup> section 45(2). Alberta Energy and Minerals (Alberta Energy) requires full payment of the arrears within 30 days of the date of this letter. If payment is not made Alberta Energy may, without further notice, cancel Petroleum and Natural Gas Mineral agreements associated with this debt.

### II. Remedies – Potential Crown Action

All lessees are jointly responsible for the full amount of this royalty debt, regardless of their proportion of interest in a lease.<sup>2</sup> Full payment is required or Alberta Energy may pursue remedies against your company until the debt is satisfied, including but not limited to:

1. Refusing to issue new agreements.
2. Cancellation of affected leases.
3. Set-off of arrears against credits owing to the company from the Crown.
4. Suspension of electronic transfer systems privileges, including:
  - (a) posting lands for sale;

<sup>1</sup> Mines and Minerals Act, RSA 2000, c M-17 [MMA].

<sup>2</sup> MMA, s 20(2.1).

- (b) bidding on lands posted for sale;
- (c) registration of mineral agreement transfers; and
- (d) requests to obtain search products.

In connection with the above remedies, we reference the following statutory authority.

<b>MMA, s 18(2)</b>	The Minister may refuse to issue an agreement to a person who is indebted to the Crown.
<b>MMA, s 20(2.1)</b>	Where 2 or more parties are recorded as lessees to an agreement, all co-lessees are responsible for its obligations and liabilities.
<b>CMRR,<sup>3</sup> s 5(1)(g)</b>	The Minister may refuse to register lease transfers to or from persons owing money to the Crown.
<b>MMA, s 45</b>	The Minister may cancel an agreement if there is a breach of any condition in the agreement.
<b>MMA, s 46(4)</b>	The Minister may recover any debt owed to the Crown by way of set-off.

Payment is required in full on each lease, including accrued interest, by **October 31, 2025**. Liability is not apportioned by leaseholder responsibility. Each lessee is responsible for the full amount accrued under a lease, and lessees must resolve severality of arrears among themselves. Partial payment will not prevent further collections action.

### **III. Remedial Exception: Insolvency Proceedings & Vested Assets**

Alberta Energy will not act in a manner contravening a court order or proceeding, where:

- (1) An insolvent co-lessee is subject to insolvency proceedings, protected by a stay of proceedings; or
- (2) A party has obtained an interest in an agreement via court order discharging their liability for these debts.

The insolvency of one lessee under an agreement does not absolve any co-lessees of their joint and several responsibilities for agreement arrears arising prior to the co-lessee's insolvency. Co-lessees must prove they are no longer responsible for prior arrears by providing documents absolving them of the liability. Documents must specify both the agreements and the parties who are absolved from liability. Absolution of one co-lessee does not absolve any others, except as expressly stated in a court order.

### **IV. Royalty Regime – Statutory Authority**

<sup>3</sup> Crown Minerals Registration Regulation, AR 264/1997 [CMRR].

Alberta Energy relies on the following sections of the NGRR 2017<sup>4</sup> in pursuing the arrears:

NGRR 2017, s 37(2):	Interest is payable to the Crown on a royalty under an agreement from the due date to the actual date of payment.
NGRR 2017, s 37(4)(c)	Rate of interest is the regular prime rate plus 1%.
NGRR 2017, s 2	Establishes that lessees are ultimately liable for paying royalty to the Crown.

**Please make the payment necessary to eliminate this debt.**

If payment has been made, please contact us to ensure your payment has been correctly allocated to your gas royalty account and any agreements associated with the outstanding amount.

If you have any questions, you can contact us at:

[Energy.GasRoyaltyCollections@gov.ab.ca](mailto:Energy.GasRoyaltyCollections@gov.ab.ca)

Sincerely,

Perpetua Ayanwale,  
Gas Royalty Collections

cc:

- \* Peyto Exploration & Development Corp.
- \* CENOVUS ENERGY INC.
- \* INSIGNIA ENERGY LTD.
- \* MANCAL ENERGY INC.
- \* LYNX ENERGY ULC.
- \* CONIFER ENERGY INC.
- \* TOURMALINE OIL CORP.
- \* VERMILION ENERGY INC.
- \* PETRUS RESOURCES CORP.
- \* TWO RIVER RESOURCES LTD.
- \* AXIOM OIL AND GAS INC.
- \* EMERALD LAKE ENERGY LTD.
- \* MJOLNIR RESOURCES CORP.
- \* VANTAGE POINT RESOURCES INC.
- \* CANADIAN NATURAL RESOURCES LIMITED
- \* W. F. BROWN EXPLORATION LTD
- \* SINOPEC CANADA ENERGY LTD.
- \* PARAMOUNT RESOURCES LTD
- \* TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.
- \* LONG RUN EXPLORATION LTD.
- \* WHITECAP RESOURCES INC.
- \* JOURNEY ENERGY INC.
- \* BAYTEX ENERGY LTD.
- \* OUTLIER RESOURCES LTD.
- \* HWN ENERGY LTD.
- \* Imperial Oil Resources Ltd.
- \* QUESTFIRE ENERGY CORP
- \* OVINTIV CANADA ULC
- \* NUVISTA ENERGY LTD.
- \* Orlen Upstream Canada Ltd.
- \* SERVANT ENERGY INC
- \* Archer Exploration Corp.

<sup>4</sup> *Natural Gas Royalty Regulation, 2017*, A.R. 221/2008 [NGRR 2017]

**From:** Energy Gas Royalty Collections  
**To:** roxanne.s@bsrl.ca; bob.j@bsrl.ca; vanessa.t@bsrl.ca; HEATHER.WILKINS@CONIFERENERGY.CA; GLORYDAWN.FITZSIMMONS@CONIFERENERGY.CA; BERNADETTE.LIGOICKI@INSIGNIENERGY.CA; SHIRLEY.WANCHAN@INSIGNIENERGY.CA; CAROLYN.CUDMORE@PARAMOUNTRES.COM; NATHAN.HOPKIN@PARAMOUNTRES.COM; JAUN.P.QUINTANA@EXXONMOBIL.COM; LUCIANO.D.MOSTACCIO@EXXONMOBIL.COM; PWASYLYSHEN@HWNENERGY.COM; JPOLLOCK@HWNENERGY.COM; jill.vipond.consultant@bsrl.ca  
**Cc:** Sabrina Oakey; Crissy Rafoss; BRETT.PANKONIN@TOURMALINEOIL.COM; JASON.YUEN@TOURMALINEOIL.COM; Lila LaRouche; CSOLKSHINITZ@VERMILIONENERGY.COM; FAYE.HAIGHT@SPROULE.COM; TAREK.ALSHAMALI@QVINTIV.COM; LINDA.BUT@QVINTIV.COM; GLENN.NIELSEN@WCAP.CA; GYEE@WCAP.CA; JAY.GARCIA@JOURNEYENERGY.CA; TED.TANDOC@JOURNEYENERGY.CA; Energy Gas Royalty Collections  
**Subject:** Blue sky Resources Limited - G94 166910 A7XK Leaseholder Recourse Default Letter  
**Date:** Thursday, September 25, 2025 3:58:19 PM  
**Attachments:** [image002.png](#) [Blue Sky Resources Ltd.-LRDL Letter.pdf](#)

---

Good morning,

Please see attached copy of Leaseholder Recourse Default Letter due to the outstanding balance of **\$1,872,563.84** in **Blue Sky Resources Ltd.**'s gas royalty account G94 166910.

If you are sending a **cheque**, we do request the G94 account to be written on the cheque.

If you are sending a wire or **EFT payment**, we ask that you send an email to [G94deposit@gov.ab.ca](mailto:G94deposit@gov.ab.ca) on the day of payment, stating the G94 account number and payment amount, so the payment can be applied correctly.

Kind regards,



**Perpetua Ayanwale**  
 Operational Analyst,  
 Gas Royalty Operations.  
 E: [Energy.GasRoyaltyCollections@gov.ab.ca](mailto:Energy.GasRoyaltyCollections@gov.ab.ca)  
 JMG

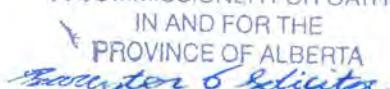
*The information provided in this email is subject to change due to new information being updated and made available at any time after the date of this communication*

Classification: Protected A

This is Exhibit J  
 referred to in the affidavit  
 of WAYNE TALJIT  
 Sworn before me this 12 day  
 of December 2025

  
 Commissioner for Oaths in and for  
 the Province of Alberta

LUKE VROUILLE  
 A COMMISSIONER FOR OATHS  
 IN AND FOR THE

  
 PROVINCE OF ALBERTA  
 Lawyer & Solicitor

**From:** Energy Gas Royalty Collections  
**To:** JILL.VIPOND@GMAIL.COM; KKERR@MJOLNIROIL.CA; SUSAN.PONTO@TRIACC.CA;  
MKENNEDY@AXIOMOILANDGAS.CA; glenda.leavitt@srmenterprises.ca; PSHUM@SATURNOIL.COM;  
AHUPPE@SATURNOIL.COM; roxanne.s@bsrl.ca; TBEESLEY@TIDEWATERMIDSTREAM.COM; GMILLER-  
TAIT@SHAW.CA; GCASTRO@WFBROWNEXPLORATION.COM; BRENT.MCLOCKLIN@ORLENUPSTREAM.CA;  
DENIS.TREMBLAY@ORLENUPSTREAM.CA; MGALLANT@PEYTO.COM; sternes@peyto.com  
**Cc:** JAY.GARCIA@JOURNEYENERGY.CA; TED.TANDOC@JOURNEYENERGY.CA; ALEXIS@ROKRESOURCES.COM;  
JARED@ROKRESOURCES.CA; BRADP@LYNXENERGY.CA; DAWN@LYNXENERGY.CA;  
SNIKIFORAK@LORAM99.COM; Dan Brownrigg; Sally Schick; JWASSON@NVAENERGY.COM;  
DEBBIE.BESTON@SINOPECCANADA.COM; TARUN.DHALLA@SINOPECCANADA.COM; ALEXOIL@XPLORNET.COM;  
yvonne.knibbs@cenovus.com; carol.loberg@signalta.com; debbie.lepoidevin@signalta.com; edavidchuk@sabre-  
energy.com; vanessa.t@bsrl.ca; bob.i@bsrl.ca; Energy Gas Royalty Collections  
**Subject:** Blue sky Resources Limited - G94 166910 A7XK Leaseholder Recourse Default Letter  
**Date:** Thursday, September 25, 2025 4:07:06 PM  
**Attachments:** image002.png  
Blue Sky Resources Ltd.-LRDL Letter.pdf

Good afternoon,

Please see attached copy of Leaseholder Recourse Default Letter due to the outstanding balance of **\$1,872,563.84** in **Blue Sky Resources Ltd.**'s gas royalty account G94 166910.

If you are sending a **cheque**, we do request the G94 account to be written on the cheque.  
If you are sending a wire or **EFT payment**, we ask that you send an email to [G94deposit@gov.ab.ca](mailto:G94deposit@gov.ab.ca) on the day of payment, stating the G94 account number and payment amount, so the payment can be applied correctly.

Kind regards,



**Perpetua Ayanwale**  
Operational Analyst,  
Gas Royalty Operations.  
E: [Energy.GasRoyaltyCollections@gov.ab.ca](mailto:Energy.GasRoyaltyCollections@gov.ab.ca)  
JMA

*The information provided in this email is subject to change due to new information being updated and made available at any time after the date of this communication.*

Classification: Protected A

This is Exhibit K  
referred to in the affidavit  
of WAYNE TALSIT  
Sworn before me this 12 day  
of December 2025  
Luke Woudt

Commissioner for Oaths in and for  
the Province of Alberta  
LUKE WOUDT  
A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA  
Roster of Notaries

This is Exhibit L  
referred to in the affidavit  
of WAYNE TALJIT  
Sworn before me this 12 day  
of December 2025  
Commissioner for Oaths in and for  
the Province of Alberta

Calgary

October 16, 2025

Toronto

Montréal

Ottawa

Vancouver

New York

Emily Paplawski  
Partner  
Direct Dial: 403.260.7071  
EPaplawski@osler.com  
Our Matter Number: 1274131

Sent By Electronic Mail

EO/Royalty Operations Branch  
7<sup>th</sup> Floor, North Petroleum Plaza  
9945 – 108 Street  
Edmonton, AB T5K 2G6

Luke Woulfe  
A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA  
*Montana & Gluckler*

Attention: Ms. Perpetua Ayanwale ([Energy.GasRoyaltyCollections@gov.ab.ca](mailto:Energy.GasRoyaltyCollections@gov.ab.ca)) and Mr. Kenneth Whitelaw ([kenneth.whitelaw@gov.ab.ca](mailto:kenneth.whitelaw@gov.ab.ca))

Dear Sirs/Mesdames:

**Re: Gas Royalty Arrears: Leaseholder Recourse Default Letter – Blue Sky Resources Limited, dated September 25, 2025**

We are counsel to Canadian Natural Resources Limited (“**Canadian Natural**”). We write with respect to the Gas Royalty Arrears: Leaseholder Recourse Default Letter (the “**Royalty Default Letter**”) issued by Alberta Energy on September 25, 2025 with respect to royalty arrears associated with the Blue Sky Resources Limited (“**Blue Sky**”) account (G94 166910).

As you are aware, Blue Sky filed a Notice of Intention to Make a Proposal under section 50.4(1) of the *Bankruptcy and Insolvency Act* (“**BIA**”) on September 24, 2025 (the “**NOI Proceedings**”). The following day – on September 25, 2025 – Alberta Energy issued the Royalty Default Letter to all registered lessees with respect to Blue Sky’s royalty arrears.

Canadian Natural disputes the validity of the Royalty Default Letter. Among other things, Alberta Energy’s issuance of the Royalty Default Letter:

- Contravenes certain portions of the decision of the Honourable Justice Gill granted in the CCAA proceedings of Bellatrix Exploration Ltd. (“**Bellatrix**”) on March 14, 2025 and which is currently under appeal before the Alberta Court of Appeal in Court File No. 2501-0104AC;
- Contravenes the stay of proceedings in the NOI Proceedings;
- Contravenes the “single proceeding model” most recently confirmed by the Supreme Court of Canada in *Peace River Hydro Partners v. PetroWest Corp.*, 2022 SCC 41;

OSLER

Page 2

- Contravenes Alberta Energy's own process published and released to industry in Information Letter 2024-32; and
- Attempts a run around the established statutory and insolvency processes that provide Alberta Energy with the ability to recover all arrears due and owing by Blue Sky as "cure costs" from any purchaser of Blue Sky's assets as a condition of Alberta Energy's approval of any lease transfer request.

Canadian Natural intends to bring this matter to the attention of the Alberta Court of King's Bench and seek a determination regarding the validity of the Royalty Default Letter. Canadian Natural is working to confirm the positions of the other lessees listed on the Royalty Default Letter.

In light of the foregoing, and as was done in the Bellatrix CCAA, Canadian Natural requests that Alberta Energy confirms in writing, without delay, that it will not enforce the debts noted in the Royalty Default Letter or use the *Mines and Minerals Act* or the *Crown Minerals Registration Regulation* to pursue remedies against Canadian Natural or any other lessees listed in the Royalty Default Notice until the issue has been fully determined by the Courts (including appeals).

Canadian Natural is willing to work with Alberta Energy (and all other lessees) to schedule a mutually convenient date for the hearing of the dispute and establish an agreeable litigation schedule.

We look forward to receiving your written confirmation regarding the requested stay of enforcement at your earliest convenience.

We have copied Blue Sky's counsel, the Proposal Trustee and its counsel, as well as all parties who were either copied on the Royalty Default Letter and/or were included on Alberta Energy's email circulating the Royalty Default Letter on this response.

Yours truly,



Emily Paplawski

c: Client  
 Iloma Aminnijad, *Osler Hoskin & Harcourt LLP* ([iloma.aminnijad@osler.com](mailto:iloma.aminnijad@osler.com))  
 Carole Hunter and Anthony Mersich, *DLA Piper (Canada) LLP* ([carole.hunter@ca.dlapiper.com](mailto:carole.hunter@ca.dlapiper.com) & [anthony.mersich@ca.dlapiper.com](mailto:anthony.mersich@ca.dlapiper.com))  
 Andrew Basi, *KSI Restructuring Inc.* ([abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com))  
 Keely Cameron, *Bennett Jones LLP* ([cameronk@bennettjones.com](mailto:cameronk@bennettjones.com))  
 Peyto Exploration & Development Corp. ([mgallant@peyto.com](mailto:mgallant@peyto.com) & [sternes@peyto.com](mailto:sternes@peyto.com))  
 Long Run Exploration Ltd.  
 Cenovus Energy Inc. ([yvonne.knibbs@cenovus.com](mailto:yvonne.knibbs@cenovus.com))

Whitecap Resources Inc. ([HDarrah@wcap.ca](mailto:HDarrah@wcap.ca) & [Meghan.Swain@wcap.ca](mailto:Meghan.Swain@wcap.ca))  
 Insignia Energy Ltd. ([Mike.Miles@insigniaenergy.ca](mailto:Mike.Miles@insigniaenergy.ca))  
 Journey Energy Inc. ([jay.garcia@journeyenergy.ca](mailto:jay.garcia@journeyenergy.ca) & [ted.tandoc@journeyenergy.ca](mailto:ted.tandoc@journeyenergy.ca))  
 Mancal Energy Inc. ([awolfenden@mancal.com](mailto:awolfenden@mancal.com), [Jmurray@mancal.com](mailto:Jmurray@mancal.com) & [agrasby@mancal.com](mailto:agrasby@mancal.com))  
 Baytex Energy Ltd. ([tania.dunlop@baytexenergy.com](mailto:tania.dunlop@baytexenergy.com))  
 Lynx Energy ULC ([bradp@lynxenergy.ca](mailto:bradp@lynxenergy.ca), [dawnk@lynxenergy.ca](mailto:dawnk@lynxenergy.ca), [jiml@lynxenergy.ca](mailto:jiml@lynxenergy.ca) & [vickid@lynxenergy.ca](mailto:vickid@lynxenergy.ca))  
 Outlier Resources Ltd. ([KathrynDarroch@outlierresources.com](mailto:KathrynDarroch@outlierresources.com) & [cevans@outlierresources.com](mailto:cevans@outlierresources.com))  
 Conifer Energy Inc. ([landinquiries@coniferenergy.ca](mailto:landinquiries@coniferenergy.ca))  
 HWN Energy Ltd. ([info@hwnenergy.com](mailto:info@hwnenergy.com))  
 Tourmaline Oil Corp. ([parissa.labelle@tourmalineoil.com](mailto:parissa.labelle@tourmalineoil.com) & [christine.misuraca@tourmalineoil.com](mailto:christine.misuraca@tourmalineoil.com))  
 Imperial Oil Resources Ltd. ([gary.morris@exxonmobil.com](mailto:gary.morris@exxonmobil.com))  
 Vermilion Energy Inc. ([amusa@vermilionenergy.com](mailto:amusa@vermilionenergy.com))  
 Questfire Energy Corp.  
 Petrus Resources Corp. ([LWalker@petrusresources.com](mailto:LWalker@petrusresources.com))  
 Ovintiv Canada ULC ([Melissa.Foulds@ovintiv.com](mailto:Melissa.Foulds@ovintiv.com))  
 Two River Resources Ltd.  
 Nuvista Energy Ltd. ([jwasson@nvaenergy.com](mailto:jwasson@nvaenergy.com) & [Ap@nvaenergy.com](mailto:Ap@nvaenergy.com))  
 Axiom Oil And Gas Inc. ([susan.ponto@triacc.ca](mailto:susan.ponto@triacc.ca) & [mkennedy@axiomoilandgas.ca](mailto:mkennedy@axiomoilandgas.ca))  
 Orlen Upstream Canada Ltd. ([brent.mcelocklin@orlenupstream.ca](mailto:brent.mcelocklin@orlenupstream.ca), [shawn.calafatis@orlenupstream.ca](mailto:shawn.calafatis@orlenupstream.ca) & [denis.tremblay@orlenupsteam.ca](mailto:denis.tremblay@orlenupsteam.ca))  
 Emerald Lake Energy Ltd. ([barb@elenergy.ca](mailto:barb@elenergy.ca); [johnkyye@gmail.com](mailto:johnkyye@gmail.com) & [glenda.leavitt@srmenterprises.ca](mailto:glenda.leavitt@srmenterprises.ca))  
 Servant Energy Inc.  
 Mjolnir Resources Corp. ([kkerr@mjolniroil.ca](mailto:kkerr@mjolniroil.ca))  
 Archer Exploration Corp. ([info@archerexp.com](mailto:info@archerexp.com))  
 Vantage Point Resources Inc. ([lfisher@vantagepr.ca](mailto:lfisher@vantagepr.ca), [rhemminger@vantagepr.ca](mailto:rhemminger@vantagepr.ca) & [YMILLER@vantagepr.ca](mailto:YMILLER@vantagepr.ca))  
 W. F. Brown Exploration Ltd. ([gcastro@wfbrownexploration.com](mailto:gcastro@wfbrownexploration.com))  
 Sinopec Canada Energy Ltd. ([debbie.beston@sinopeccanada.com](mailto:debbie.beston@sinopeccanada.com) & [tarun.dhalla@sinopeccanada.com](mailto:tarun.dhalla@sinopeccanada.com))  
 Paramount Resources Ltd. ([mark.franko@paramountres.com](mailto:mark.franko@paramountres.com))  
 Tidewater Midstream and Infrastructure Ltd. ([tbeesley@tidewatermidstream.com](mailto:tbeesley@tidewatermidstream.com))  
JILL.VIPOND@GMAIL.COM  
glenda.leavitt@srmenterprises.ca  
PSHUM@SATURNOIL.COM  
AIHUPPE@SATURNOIL.COM  
GMILLER-TAIT@SHAW.CA  
michelle@rokresources.ca  
ALEXIS@ROKRESOURCES.COM  
JARED@ROKRESOURCES.CA  
SNIKIFORAK@LORAM99.COM  
ALEXOIL@XPLORNET.COM  
carol.loberg@signalta.com  
debbie.lepoidevin@signalta.com  
edavidchuk@sabre-energy.com  
KThom@saturnoil.com  
stacy.stevens@signalta.com



Alberta Justice Energy Legal Services 3rd  
Floor, AMEC Place 801 – 6 Avenue SW  
Calgary, Alberta T2P 3W2 Canada

Telephone: 403-297-5434  
Email: Emmett.Larsen@gov.ab.ca  
[www.albertajustice.ca](http://www.albertajustice.ca)

This is Exhibit M  
referred to in the affidavit  
of WAYNE TALJIT

Sworn before me this 12 day  
of December, 2025

Commissioner for Oaths in and for  
the Province of Alberta  
Luke Woulfe  
A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA *Lawster & Solicitor*

October 22, 2025

Ms. Emily Paplawski  
Partner, Disputes  
Osler, Hoskin & Harcourt LLP  
Suite 2700, Brookfield Place 225  
6th Avenue SW Calgary, AB T2P 1N2

VIA Email: EPaplawski@osler.com

Dear Ms. Paplawski:

Thank you for your letter dated October 16, 2025 in response to the Gas Royalty Arrears: Leaseholder Recourse Default Letter (the “**Default Letter**”) issued on September 25, 2025. As I understand it, your client, Canadian Natural, disputes the legitimacy of Alberta Energy’s claim for co-lessee liability under mineral leases held by jointly with Blue Sky Resources Limited (“**Blue Sky**”), and others.

Alberta Energy is aware of Blue Sky’s commencement of insolvency proceedings and, like all insolvency proceedings, respects the primacy of the stay of proceedings and any associated court orders.

**Alberta Energy will not stay enforcement against Blue Sky’s co-lessees for arrears justly accrued under crown mineral leases.** Your spurious assertions attempt to weaponize the insolvency process to prevent payment of arrears legally owed to the public for the use of public resources.

## **I. Justice Gill’s Decision**

Justice Gill’s decision relating to the Bellatrix Exploration Ltd. (“**Bellatrix**”) matter is distinguished entirely from the Blue Sky proceeding. Justice Gill held that co-lessees of Bellatrix (or its successor Spartan Delta Corp.) were not liable for the claimed royalty amounts because those amounts were extinguished by court order.

The court has granted no order in the Blue Sky proceedings, and all outstanding mineral lease liabilities persist. Further, you’ll note Justice Gill’s agreement that “section 20(2.1) [of the *Mines and Minerals Act*] makes registered participants on a lease jointly responsible for the existing obligations and liabilities that arise under a lease.” In that matter, the Court found “no such liabilities and obligations currently exist in respect of the Bellatrix royalty arrears.” No such extinguishment has occurred relating to Blue Sky’s mineral leases.

Nothing in the Bellatrix judgement supports a claim that a co-lessee’s insolvency prevents collection from solvent co-lessees who are statutorily liable for all mineral lease debts.

## **II. Stay of Proceedings**

Neither circulation of the Default Letter nor collection of arrears from solvent co-lessees impugns or violates the stay of proceedings. The stay of proceedings prevents remedial action against the debtor’s estate and property, in this case, Blue Sky’s *interest* in mineral leases. Alberta Energy is not suing or making a claim against Blue Sky or their lease interests. Alberta Energy is collecting against the lease interests of co-

lessees, as authorized by MMA s 20(2.1), for each party's lease interest is a distinct proprietary right.

It is an absurd statement that one lessee's insolvency should benefit all solvent co-lessees by protecting them from collection of debts for which they are jointly and severally liable. Insolvency proceedings are not a sword for parties to wield against the public. They are a shield to protect creditor interests in the insolvent's estate. As discussed below, not only do Alberta Energy's actions not undermine the interests of Blue Sky's creditors, they also actively bolster their position.

### **III. Single Proceeding Model**

As described in the Bellatrix decision, the single proceeding model ensures that all matters related to an insolvency are dealt with "in the best interests of the debtor's creditors." By collecting mineral lease debts from solvent co-lessees, Alberta Energy removes potential liabilities from Blue Sky's estate. If anything, collection from co-lessees incentivizes efficiency in the insolvency process to the benefit of creditors. By reducing the Blue Sky's debt burden, collection from jointly and severally liable co-lessees makes it more likely that Blue Sky will strike a successful proposal.

Co-lessee collection does not violate the single proceeding model because no action is taken against Blue Sky or their property. The only possible impact to Blue Sky's creditors is a positive one.

### **IV. Information Letter 2024-32 & Default Notices**

IL 2024-32: *Obligations of a Receiver to the Alberta Crown During Insolvencies* sets out the process for how Alberta Energy processes mineral lease transfer requests during insolvencies. Nothing in IL 2024-32 states that Alberta Energy will not seek recourse from co-lessees where available. In no way has Alberta Energy violated established practice.

As discussed at length, Alberta Energy will not act against property protected by the stay of proceedings. In this case, the property subject to a stay is Blue Sky's mineral lease *interests*. As you're aware, one party's interest in an agreement is a separate and distinct proprietary interest from the agreement interest of a co-lessee. Blue Sky's interests are protected by the stay of proceedings, the interests of co-lessees are not. Unless your letter implies that a future receiver for Blue Sky could sell Canadian Natural's interests in agreements held jointly with Blue Sky? That would represent a marked departure from established conceptions of property rights.

### **V. Established Process – Cure Costs**

Alberta Energy administers the mineral tenure regime in the public interest, as 81% of mineral resources in Alberta are publicly owned. Alberta Energy has multiple statutory tools available to ensure the public is paid for the minerals which industry develops and profits from.

Institution of insolvency proceedings does not extinguish these statutory remedies against solvent co-lessees. Expecting a purchaser in an insolvency asset transaction to assume and fulfill debts owed by solvent co-lessees is unfair and commercially unreasonable. To expect such assumption undermines the efficacy of the insolvency proceedings, making it less likely a purchaser will step up to claim the assets, increasing the likelihood of their assignment to the Orphan Well Association.

As discussed above, insolvency proceedings are not a sword with which solvent co-lessees can use to extinguish their legally owed liabilities, as implied by your letter.

### **VI. Conclusion**

Alberta Energy categorically rejects the claims stated in your letter and will not stay enforcement action in face of your letter's misapplication of the Bellatrix decision.

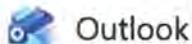
Alberta Energy looks forward to continued collaboration with all parties copied to your letter. Please

circulate this to all relevant parties.

Sincerely,

A handwritten signature in black ink, appearing to read "EL".

Emmett Larsen  
Barrister and Solicitor  
Energy Legal Services, Department of Justice



## RE: Blue sky Resources Limited - G94 166910 A7XK Leaseholder Recourse Default Letter

From Energy Gas Royalty Collections <Energy.GasRoyaltyCollections@gov.ab.ca>

Date Mon 9/29/2025 1:09 PM

To Rhonda Gosse <Rhonda.Gosse@cnrl.com>

Cc Energy Gas Royalty Collections <Energy.GasRoyaltyCollections@gov.ab.ca>

1 attachment (24 KB)

Blue Sky Resources Ltd. LRD - CNRL.xlsx;

Hello Rhonda,

Apologies for the omission, I have updated contact list.

Please find attached detailed spreadsheet as requested.

Kind regards,

ENERGY and MINERALS

**Perpetua Ayanwale**

Operational Analyst,  
Gas Royalty Operations.

E: [Energy.GasRoyaltyCollections@gov.ab.ca](mailto:Energy.GasRoyaltyCollections@gov.ab.ca)

+JMJ+

*The information provided in this email is subject to change due to new information being updated and made available at any time after the date of this communication.*

**From:** Rhonda Gosse <Rhonda.Gosse@cnrl.com>

**Sent:** September 29, 2025 9:01 AM

**To:** Energy Gas Royalty Collections <Energy.GasRoyaltyCollections@gov.ab.ca>

**Subject:** FW: Blue sky Resources Limited - G94 166910 A7XK Leaseholder Recourse Default Letter

**Importance:** High

**CAUTION:** This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.

Good morning,

Can I please get a listing of CNRL responsibility for these arrears, also please note that these usually come to me and I did not receive this please check to ensure I am on the contact list for Royalty Arrears.

Thank you

Rhonda Gosse

403-517-6969

**From:** Dan Brownrigg <[Dan.Brownrigg@cnrl.com](mailto:Dan.Brownrigg@cnrl.com)>

**Sent:** Monday, September 29, 2025 8:08 AM

**To:** Jelena Molnar <[Jelena.Molnar@cnrl.com](mailto:Jelena.Molnar@cnrl.com)>

**Cc:** Sally Schick <[sally.schick@cnrl.com](mailto:sally.schick@cnrl.com)>

**Subject:** FW: Blue sky Resources Limited - G94 166910 A7XK Leaseholder Recourse Default Letter

This is Exhibit N  
referred to in the affidavit

of WAYNE TALJIT

Sworn before me this 12 day  
of December, 2025

Luke Woulfe  
Commissioner for Oaths in and for  
the Province of Alberta

A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA  
Minister of Justice

FYI

Dan Brownrigg  
PA Regulatory Analyst  
Canadian Natural Resources Ltd  
[Dan.Brownrigg@cnrl.com](mailto:Dan.Brownrigg@cnrl.com)  
(403) 716-6262

**From:** Energy Gas Royalty Collections <[Energy.GasRoyaltyCollections@gov.ab.ca](mailto:Energy.GasRoyaltyCollections@gov.ab.ca)>  
**Sent:** Thursday, September 25, 2025 4:07 PM  
**To:** [JILL.VIPOND@GMAIL.COM](mailto:JILL.VIPOND@GMAIL.COM); [KKERR@MJOLNIROIL.CA](mailto:KKERR@MJOLNIROIL.CA); [SUSAN.PONTO@TRIACC.CA](mailto:SUSAN.PONTO@TRIACC.CA); [MKENNEDY@AXIOMOILANDGAS.CA](mailto:MKENNEDY@AXIOMOILANDGAS.CA); [glenda.leavitt@srmenterprises.ca](mailto:glenda.leavitt@srmenterprises.ca); [PSHUM@SATURNOIL.COM](mailto:PSHUM@SATURNOIL.COM); [AHUPPE@SATURNOIL.COM](mailto:AHUPPE@SATURNOIL.COM); [roxanne.s@bsrl.ca](mailto:roxanne.s@bsrl.ca); [TBEESLEY@TIDEWATERMIDSTREAM.COM](mailto:TBEESLEY@TIDEWATERMIDSTREAM.COM); [GMILLER-TAIT@SHAW.CA](mailto:GMILLER-TAIT@SHAW.CA); [GCASTRO@WFBROWNEXPLORATION.COM](mailto:GCASTRO@WFBROWNEXPLORATION.COM); [BRENT.MCCLOCKLIN@ORLENUPSTREAM.CA](mailto:BRENT.MCCLOCKLIN@ORLENUPSTREAM.CA); [DENIS.TREMBLAY@ORLENUPSTREAM.CA](mailto:DENIS.TREMBLAY@ORLENUPSTREAM.CA); [MGALLANT@PEYTO.COM](mailto:MGALLANT@PEYTO.COM); [STERNES@PEYTO.COM](mailto:STERNES@PEYTO.COM)  
**Cc:** [JAY.GARCIA@JOURNEYENERGY.CA](mailto:JAY.GARCIA@JOURNEYENERGY.CA); [TED.TANDOC@JOURNEYENERGY.CA](mailto:TED.TANDOC@JOURNEYENERGY.CA); [ALEXIS@ROKRESOURCES.COM](mailto:ALEXIS@ROKRESOURCES.COM); [JARED@ROKRESOURCES.CA](mailto:JARED@ROKRESOURCES.CA); [BRADP@LYNXENERGY.CA](mailto:BRADP@LYNXENERGY.CA); [DAWNK@LYNXENERGY.CA](mailto:DAWNK@LYNXENERGY.CA); [SNIKIFORAK@LORAM99.COM](mailto:SNIKIFORAK@LORAM99.COM); [Dan.Brownrigg@cnrl.com](mailto:Dan.Brownrigg@cnrl.com); [Sally.Schick@cnrl.com](mailto:Sally.Schick@cnrl.com); [JWASSON@NVAENERGY.COM](mailto:JWASSON@NVAENERGY.COM); [DEBBIE.BESTON@SINOPECCANADA.COM](mailto:DEBBIE.BESTON@SINOPECCANADA.COM); [CAROL.DHALLA@SINOPECCANADA.COM](mailto:CAROL.DHALLA@SINOPECCANADA.COM); [ALEXOIL@XPLORNET.COM](mailto:ALEXOIL@XPLORNET.COM); [yvonne.knibbs@cenovus.com](mailto:yvonne.knibbs@cenovus.com); [carol.loberg@signalta.ca](mailto:carol.loberg@signalta.ca); [debbie.lepoidevin@signalta.ca](mailto:debbie.lepoidevin@signalta.ca); [edavidchuk@sabre-energy.com](mailto:edavidchuk@sabre-energy.com); [vanessa.t@bsrl.ca](mailto:vanessa.t@bsrl.ca); [bob.j@bsrl.ca](mailto:bob.j@bsrl.ca); [Energy Gas Royalty Collections](mailto:Energy.GasRoyaltyCollections@gov.ab.ca)  
[<Energy.GasRoyaltyCollections@gov.ab.ca>](mailto:Energy.GasRoyaltyCollections@gov.ab.ca)  
**Subject:** Blue sky Resources Limited - G94 166910 A7XK Leaseholder Recourse Default Letter

Good afternoon,

Please see attached copy of Leaseholder Recourse Default Letter due to the outstanding balance of **\$1,872,563.84** in **Blue Sky Resources Ltd.**'s gas royalty account G94 166910.

If you are sending a **cheque**, we do request the G94 account to be written on the cheque.  
If you are sending a wire or **EFT payment**, we ask that you send an email to [G94deposit@gov.ab.ca](mailto:G94deposit@gov.ab.ca) on the day of payment, stating the G94 account number and payment amount, so the payment can be applied correctly.

Kind regards,

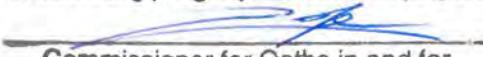


**Perpetua Ayanwale**

Operational Analyst,  
Gas Royalty Operations.  
E: [Energy.GasRoyaltyCollections@gov.ab.ca](mailto:Energy.GasRoyaltyCollections@gov.ab.ca)  
+JMJ+

*The information provided in this email is subject to change due to new information being updated and made available at any time after the date of this communication.*

Classification: Protected A

This is Exhibit 0  
referred to in the affidavit  
of WAYNE TALJIT  
Sworn before me this 12 day  
of December, 2005  
  
Commissioner for Oaths in and for  
the Province of Alberta  
Luke Woulfe  
A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA  
*Barrister & Solicitor*

Client Name	Client B Account Numb	Prod Period Fro	Prod Period To	Stream ID	Agreement ID	Des Rep	Designated Representative	Participant	Current Participant	Indebted Amou	Interest %	Total	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	3/1/2025	100/08-31-079-02W5/02	001 0177060098	DHE9	CANADIAN NATURAL RESOU 0NST OHE9	W. F. BROWN EXPLORATION LTD.:CANADIAN N		65.85	1.03	66.88	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	102/04-03-052-20W5/00	001 0180070034	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		498.79	7.83	506.62	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	102/06-13-052-20W5/00	001 0180070035	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		250.70	3.94	254.64	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/15-14-077-26W5/00	001 0181010012	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		539.57	8.47	548.04	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/09-03-072-05W6/00	001 0182020003	DHE9	CANADIAN NATURAL RESOU 0HE9 A6D7	CANADIAN NATURAL RESOURCES LIMITED:KEL1		29.13	0.46	29.59	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/06-08-060-19W5/00	001 119997A	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		638.76	10.03	648.79	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/10-29-080-03W6/00	001 17571	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		7.84	0.12	7.98	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/16-29-080-03W6/00	001 17571	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		61.43	0.96	62.39	
BLUE SKY RESOURCES LTD.	A7XK G94166910	3/1/2025	7/1/2025	100/12-19-081-04W6/03	001 29152	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		76.68	1.20	77.88	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	103/03-08-081-04W6/00	001 29152	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		41.39	0.65	42.04	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/03-19-078-01W6/00	001 29621	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		2,551.40	40.07	2,591.47	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/04-20-078-01W6/02	001 29621	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		77.69	1.22	78.91	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/05-17-078-01W6/00	001 29621	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		295.36	4.64	300.00	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/07-19-078-01W6/00	001 29621	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		829.02	13.02	842.04	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/12-18-078-01W6/00	001 29621	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		799.01	12.55	811.56	
BLUE SKY RESOURCES LTD.	A7XK G94166910	12/1/2024	7/1/2025	100/15-18-078-01W6/00	001 29621	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		4,100.20	64.40	4,164.60	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	102/04-20-078-01W6/05	001 29621	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		2,628.53	41.29	2,669.82	
BLUE SKY RESOURCES LTD.	A7XK G94166910	12/1/2024	7/1/2025	102/16-18-078-01W6/04	001 29621	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		6,180.66	97.08	6,277.74	
BLUE SKY RESOURCES LTD.	A7XK G94166910	12/1/2024	7/1/2025	100/10-01-074-11W6/00	001 3033	DHE9	CANADIAN NATURAL RESOU A5G3 OHE5	CONOCOPHILLIPS CANADA RESOURCES CORP		4,269.85	67.07	4,336.92	
BLUE SKY RESOURCES LTD.	A7XK G94166910	12/1/2024	7/1/2025	100/13-01-074-11W6/00	001 3033	DHE9	CANADIAN NATURAL RESOU A5G3 OHE5	CONOCOPHILLIPS CANADA RESOURCES CORP		3,869.38	57.63	3,727.01	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/03-26-073-10W6/02	001 30393	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		3,453.67	54.25	3,507.92	
BLUE SKY RESOURCES LTD.	A7XK G94166910	12/1/2024	7/1/2025	100/14-18-073-10W6/03	001 30393	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		11,540.27	181.26	11,721.53	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/14-19-073-10W6/00	001 30393	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		80.24	1.26	81.50	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/16-20-073-10W6/00	001 30393	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		2,983.18	46.86	3,030.04	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/16-30-073-10W6/00	001 30393	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		1,083.08	17.01	1,100.09	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/08-29-074-10W6/00	001 30398A	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		348.24	5.47	353.71	
BLUE SKY RESOURCES LTD.	A7XK G94166910	3/1/2025	7/1/2025	100/11-32-074-10W6/00	001 30398A	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		2,463.77	38.70	2,502.47	
BLUE SKY RESOURCES LTD.	A7XK G94166910	5/1/2025	7/1/2025	102/11-32-074-10W6/00	001 30398A	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		1,220.51	19.17	1,239.68	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/08-03-074-05W6/00	001 31170	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		3,979.46	62.50	4,041.96	
BLUE SKY RESOURCES LTD.	A7XK G94166910	12/1/2024	7/1/2025	100/01-13-077-26W5/00	001 34830	DHE9	CANADIAN NATURAL RESOU 0HE9 OPR1	CANADIAN NATURAL RESOURCES LIMITED:COA		3,401.15	53.42	3,454.57	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/13-13-077-26W5/00	001 34830	DHE9	CANADIAN NATURAL RESOU 0HE9 OPR1	CANADIAN NATURAL RESOURCES LIMITED:COA		2,701.23	42.43	2,743.66	
BLUE SKY RESOURCES LTD.	A7XK G94166910	12/1/2024	7/1/2025	100/04-23-073-06W6/00	001 36197	A7XX	BLUE SKY RESOURCES LTD.	0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		7,587.28	119.17	7,706.45
BLUE SKY RESOURCES LTD.	A7XK G94166910	4/1/2025	7/1/2025	100/07-22-073-06W6/00	001 36197	A7XX	BLUE SKY RESOURCES LTD.	0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		815.11	12.80	827.91
BLUE SKY RESOURCES LTD.	A7XK G94166910	12/1/2024	7/1/2025	100/14-14-074-11W5/00	001 37891	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		10,021.39	157.40	10,178.79	
BLUE SKY RESOURCES LTD.	A7XK G94166910	12/1/2024	7/1/2025	102/01-34-060-18W5/00	001 38110	DHE9	CANADIAN NATURAL RESOU DAW4 OHE	PARAMOUNT RESOURCES LTD.:CANADIAN NAT		1,233.45	19.37	1,252.82	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/11-30-051-25W5/00	001 38690	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		262.57	4.12	266.69	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/02-36-079-03W6/00	001 41499	DHE9	CANADIAN NATURAL RESOU 0NST OHE5	W. F. BROWN EXPLORATION LTD.:CANADIAN N		1,039.74	16.33	1,056.07	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/06-36-079-03W6/00	001 41499	DHE9	CANADIAN NATURAL RESOU 0NST OHE5	W. F. BROWN EXPLORATION LTD.:CANADIAN N		1,626.10	25.54	1,651.64	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/11-36-079-03W6/00	001 41499	DHE9	CANADIAN NATURAL RESOU 0NST OHE5	W. F. BROWN EXPLORATION LTD.:CANADIAN N		631.65	9.92	641.57	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/16-36-079-03W6/00	001 41499	DHE9	CANADIAN NATURAL RESOU 0NST OHE5	W. F. BROWN EXPLORATION LTD.:CANADIAN N		545.85	8.57	554.42	
BLUE SKY RESOURCES LTD.	A7XK G94166910	7/1/2025	7/1/2025	100/04-27-008-17W4/00	001 42198	DHE9	CANADIAN NATURAL RESOU 0HE9 A7XX	CANADIAN NATURAL RESOURCES LIMITED:BLU		0.28	0.00	0.28	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/06-06-080-02W6/02	001 9463	DHE9	CANADIAN NATURAL RESOU 0NST OHE5	W. F. BROWN EXPLORATION LTD.:CANADIAN N		245.26	3.85	249.11	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	AB UN 14861	002 02761101101	ASD4	CENOVUS ENERGY INC.	ASD4 OHE4 CENOVUS ENERGY INC.:CANADIAN NATURAL R		14,076.66	221.10	14,297.76	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/02-10-052-20W5/02	002 028203011	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		3,808.87	59.82	3,868.69	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/01-16-053-19W5/00	002 1759	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		390.45	6.13	396.58	
BLUE SKY RESOURCES LTD.	A7XK G94166910	12/1/2024	7/1/2025	100/02-17-053-19W5/00	002 1759	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		4,953.73	77.81	5,031.54	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/06-17-053-19W5/00	002 1759	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		1,553.05	24.39	1,577.44	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/13-17-053-19W5/00	002 1759	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		165.71	2.60	168.31	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	102/05-06-074-10W6/00	002 1760	DHE9	CANADIAN NATURAL RESOU 0HE9 A1FX	CANADIAN NATURAL RESOURCES LIMITED:INSI		1,237.05	19.43	1,256.48	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/06-03-074-11W6/00	002 1761	DHE9	CANADIAN NATURAL RESOU 0HE9 A1FX	CANADIAN NATURAL RESOURCES LIMITED:INSI		912.83	14.34	927.17	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	7/1/2025	100/13-17-053-19W5/00	005 0501040184	DHE9	CANADIAN NATURAL RESOU 0073 OHE9	STONE PETROLEUMS LTD.:CANADIAN NATURAL		165.71	2.60	168.31	
BLUE SKY RESOURCES LTD.	A7XK G94166910	12/1/2024	7/1/2025	100/16-18-053-19W5/00	005 0501040184	DHE9	CANADIAN NATURAL RESOU 0073 OHE9	STONE PETROLEUMS LTD.:CANADIAN NATURAL		4,563.84	71.68	4,635.52	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	3/1/2025	100/04-15-070-08W6/00	005 0505060194	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		290.44	4.56	295.00	
BLUE SKY RESOURCES LTD.	A7XK G94166910	1/1/2025	3/1/2025	100/03-17-070-08W6/02	005 0505060195	DHE9	CANADIAN NATURAL RESOU 0HE9	CANADIAN NATURAL RESOURCES LIMITED		226.19	3.55	229.74	
BLUE SKY RESOURCES LTD.	A7XK G94166910	12/1/2024	7/1/2025	100/14-04-052-20W5/00	005 0580020152	DHE9	CANADIAN NATURAL RESOU 0HE9 0Y2	CANADIAN NATURAL RESOURCES LIMITED:PEY		9,090.53	142.78	9,233.31	

BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	102/07-04-052-20W5/02	005 0580020152	DHE9	CANADIAN NATURAL RESOUP OHE9 0YA2 CANADIAN NATURAL RESOURCES LIMITED:PEY	17,773.10	279.16	18,052.26
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	100/16-18-082-10W6/00	005 0581010258	DHE9	CANADIAN NATURAL RESOUP OHE9 A7XX CANADIAN NATURAL RESOURCES LIMITED:BLU	8,304.28	130.43	8,434.71
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	100/08-15-073-11W6/00	005 0582010190	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	4,878.27	75.62	4,954.89
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	3/1/2025	100/08-23-073-11W6/00	005 0582010190	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	378.43	5.94	384.37
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/15-27-073-11W6/00	005 0582010190	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	438.90	6.89	445.79
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/16-16-073-11W6/00	005 0582010190	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	2,442.88	38.37	2,481.25
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	100/16-22-073-11W6/02	005 0582010190	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	17,535.57	275.43	17,811.00
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/08-02-073-11W6/03	005 058201A190	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	1,139.35	17.90	1,157.25
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/08-10-073-11W6/00	005 058201A190	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	2,669.77	41.93	2,711.70
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/08-11-073-11W6/00	005 058201A190	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	557.17	8.75	565.92
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/09-02-073-11W6/00	005 058201A190	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	1,976.12	31.04	2,007.16
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/14-02-073-11W6/02	005 058201A190	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	260.42	4.09	264.51
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/16-03-073-11W6/03	005 058201A190	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	420.98	6.61	427.59
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	102/04-11-073-11W6/02	005 058201A190	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	358.84	5.64	364.48
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/01-12-073-06W6/00	005 0583040168	DHE9	CANADIAN NATURAL RESOUP OHE9 A7XX CANADIAN NATURAL RESOURCES LIMITED:BLU	3,673.11	57.69	3,730.80
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	100/07-13-073-05W6/00	005 0583040168	DHE9	CANADIAN NATURAL RESOUP OHE9 A7XX CANADIAN NATURAL RESOURCES LIMITED:BLU	4,710.75	73.99	4,784.74
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	100/16-36-072-05W6/00	005 058304B164	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	11,601.81	182.23	11,784.04
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	100/09-09-052-20W5/00	005 0584020324	DHE9	CANADIAN NATURAL RESOUP OHE9 0YA2 CANADIAN NATURAL RESOURCES LIMITED:PEY	8,799.38	138.21	8,937.59
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	102/07-09-052-20W5/03	005 0584020324	DHE9	CANADIAN NATURAL RESOUP OHE9 0YA2 CANADIAN NATURAL RESOURCES LIMITED:PEY	5,249.54	82.45	5,331.99
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	100/14-16-052-20W5/00	005 0584020325	DHE9	CANADIAN NATURAL RESOUP OHE9 0YA2 CANADIAN NATURAL RESOURCES LIMITED:PEY	10,662.18	167.47	10,829.65
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	5/1/2025	100/11-06-059-18W5/00	005 058410A326	DHE9	CANADIAN NATURAL RESOUP OHE9 A7XX CANADIAN NATURAL RESOURCES LIMITED:BLU	6,880.66	108.07	6,988.73
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	4/1/2025	102/01-16-050-20W5/00	005 0587090201	ABR0	ROK RESOURCES INC. OHE9 0YA2 CANADIAN NATURAL RESOURCES LIMITED:PEY	3.49	0.05	3.54
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	102/05-05-074-10W6/00	005 0589010186	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	1,237.05	19.43	1,256.48
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	100/04-12-097-03W6/00	005 0589060380	DHE9	CANADIAN NATURAL RESOUP OHE9 A7XX CANADIAN NATURAL RESOURCES LIMITED:BLU	7,391.02	116.09	7,507.11
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	3/1/2025	100/08-31-079-02W6/02	005 0589090408	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	65.85	1.03	66.88
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	100/10-04-064-24W5/00	005 0589110198	A7XX	BLUE SKY RESOURCES LTD. OHE9 A7XX CANADIAN NATURAL RESOURCES LIMITED:BLU	8,655.85	135.95	8,791.80
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/12-08-053-19W5/00	005 0596040411	A6FW	VERMILION ENERGY INC. OHE9 A6FV CANADIAN NATURAL RESOURCES LIMITED:VERI	737.53	11.58	749.11
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/13-08-053-19W5/00	005 0596040411	A6FW	VERMILION ENERGY INC. OHE9 A6FV CANADIAN NATURAL RESOURCES LIMITED:VERI	2,961.88	46.52	3,008.40
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	102/13-08-053-19W5/00	005 0596040411	A6FW	VERMILION ENERGY INC. OHE9 A6FV CANADIAN NATURAL RESOURCES LIMITED:VERI	4,009.04	62.97	4,072.01
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	102/14-08-053-19W5/00	005 0596040411	A6FW	VERMILION ENERGY INC. OHE9 A6FV CANADIAN NATURAL RESOURCES LIMITED:VERI	2,465.12	38.72	2,503.84
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/10-15-053-19W5/00	005 0596040412	ABFY	SPKE RESOURCES LTD. OHE9 ABFY CANADIAN NATURAL RESOURCES LIMITED:SPO	897.91	14.10	912.01
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	102/06-15-053-19W5/00	005 0596040412	ABFY	SPKE RESOURCES LTD. OHE9 ABFY CANADIAN NATURAL RESOURCES LIMITED:SPO	2,518.28	39.55	2,557.83
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	103/03-08-081-04W6/00	005 0596120361	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	41.39	0.65	42.04
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/13-17-053-19W5/00	005 0597040232	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	165.71	2.60	168.31
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	100/16-18-053-19W5/00	005 0597040232	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	4,563.84	71.68	4,635.52
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/14-19-073-10W6/00	005 0599050143	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	80.24	1.26	81.50
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/09-01-081-04W6/02	010 1404A	DHE9	CANADIAN NATURAL RESOUP OHE9 A7XX CANADIAN NATURAL RESOURCES LIMITED:BLU	52.33	0.82	53.15
BLUE SKY RESOURCES LTD.	A7XX	G94166910	12/1/2024	7/1/2025	100/13-01-074-11W6/00	054 5413090149	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	3,669.38	57.63	3,727.01
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/16-30-073-10W6/00	054 5413090149	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	1,083.08	17.01	1,100.09
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/16-20-073-10W6/00	054 5418070217	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	2,983.18	46.86	3,030.04
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	6/1/2025	100/14-03-062-21W5/00	054 5494030196	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	3,351.28	52.64	3,403.92
BLUE SKY RESOURCES LTD.	A7XX	G94166910	1/1/2025	7/1/2025	100/08-29-074-10W6/00	054 5494100266	DHE9	CANADIAN NATURAL RESOUP OHE9 CANADIAN NATURAL RESOURCES LIMITED	348.24	5.47	353.71

This is Exhibit P  
 referred to in the affidavit  
 of WAYNE TALJIT  
 Sworn before me this 12 day  
 of December, 2025  
✓

Commissioner for Oaths in and for  
 the Province of Alberta

Luke Woune  
 A COMMISSIONER FOR OATHS  
 IN AND FOR THE  
 PROVINCE OF ALBERTA  
Lawyers Referral



Province of Alberta

## MINES AND MINERALS ACT

# CROWN MINERALS REGISTRATION REGULATION

### Alberta Regulation 264/1997

With amendments up to and including Alberta Regulation 218/2022

Current as of November 16, 2022

#### Office Consolidation

© Published by Alberta King's Printer

Alberta King's Printer  
 Suite 700, Park Plaza  
 10611 - 98 Avenue  
 Edmonton, AB T5K 2P7  
 Phone: 780-427-4952

E-mail: [kings-printer@gov.ab.ca](mailto:kings-printer@gov.ab.ca)  
 Shop on-line at [kings-printer.alberta.ca](http://kings-printer.alberta.ca)

document and record on the document the provisional registration number and the date on which it is assigned.

(3) The Minister shall keep a record of each document to which a provisional registration number has been assigned.

(4) If the registration of a document is refused by the Minister, the provisional registration number assigned to that document is automatically cancelled.

(5) If a document submitted to the Minister for registration is determined by the Minister as acceptable for registration, the Minister shall record the registration of the document and, on doing so, the provisional registration number becomes the registration number of the document.

(6) If registration of a document is recorded in accordance with subsection (5), registration of the document is effective as of the date on which the provisional registration number is assigned to the document.

(7) Any record required or permitted to be made by the Minister under this Regulation may be made in any manner that the Minister may determine.

#### **Registration of ministerial transfers**

**3(1)** When a ministerial transfer is made,

- (a) the Minister shall assign a registration number to the transfer and record on the transfer the registration number and the date on which it was assigned, and
- (b) the Minister shall record the registration of the transfer.

**(2)** When the registration of the ministerial transfer is recorded, the registration is effective as of the date on which the registration number is assigned to the transfer.

#### **Registration fees**

**4** The Minister may refuse to register a document submitted for registration unless the prescribed registration fee for that document has been paid to the Minister.

#### **Transfers**

##### **Registration of transfers**

**5(1)** The Minister may refuse to register a transfer submitted for registration on any of the following grounds:

- (a) the transfer is not in the prescribed form or is not completed in accordance with the prescribed form;
- (b) the transfer is not executed in the manner required by the prescribed form;
- (c) the proof of execution of the transfer is not satisfactory to the Minister;
- (d) the transfer would, if registered, result in the agreement being held by 2 or more lessees in a manner inconsistent with section 8 of the *Mines and Minerals Administration Regulation* (AR 262/97);
- (e) the transfer would, if registered, result in one or more lessees holding less than a 1% undivided interest in the agreement;
- (f) a specified undivided interest being conveyed by the transfer
  - (i) is expressed other than in decimal form, or
  - (ii) is expressed in decimal form but to more than 7 decimal places;
- (g) the transferor or transferee is in default of payment of any debt owing to the Crown in right of Alberta or to a Provincial agency as defined in the *Financial Administration Act*;
- (h) the transfer conveys part of the location of an agreement and the prescribed issuance fee for the new agreement resulting from the transfer has not been paid to the Minister.

(2) A transfer shall not be registered if

- (a) a provision of the Act, the regulations under the Act or the agreement affected by the transfer requires the consent of the Minister to the transfer and the consent is refused or a decision respecting the consent has not yet been made, or
- (b) the Minister has actual notice of a judgment or order of a court that prohibits the transfer or the registration of the transfer.

AR 264/97 s5.82/2014

Form 6  
[Rule 3.4]

KO  
\$250

Clerk's Stamp

COURT FILE NUMBER 2101-02011

COURT COURT OF QUEEN'S BENCH OF  
ALBERTA

FEB 22 2021

JUDICIAL CENTRE CALGARY

APPLICANT Forden Energy Inc.

26595

RESPONDENT Minister of Energy

DOCUMENT ORIGINATING APPLICATION

ADDRESS FOR SERVICE Goodfellow & Schuettlaw  
AND CONTACT Barristers & Solicitors  
INFORMATION OF PARTY  
FILING THIS DOCUMENT,

Attention: Lydia Lytwyn  
200, 602 – 11 Avenue SW  
Calgary, Alberta T2R 1J8  
Telephone: (403) 705-1261  
Facsimile: (403) 705-1265  
Direct: (403) 930-0881  
Matter:

This is Exhibit Q  
referred to in the affidavit

of WAINE TALJIT  
Sworn before me this 12 day  
of December 2025  
D.W.

Commissioner for Oaths in and for  
the Province of Alberta

Luke Wouffe

A COMMISSIONER FOR OATHS

IN AND FOR THE

PROVINCE OF ALBERTA

Wouffe & Schuettlaw

**NOTICE TO THE RESPONDENT,**

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

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

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

Date: March 25, 2021  
Time: 10:00 AM  
Where: Calgary – Virtually, via WebEx  
Before: The Presiding Justice in Motions Court

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

**Grounds for Making this Application:**

1. Sequoia Resources Corp. ("Sequoia") was an oil and gas exploration and production company which existed under the laws of the Province of Alberta.
2. On or about March 23, 2018, Sequoia was declared bankrupt and PricewaterhouseCoopers Inc. acted and is still acting as Sequoia's trustee in bankruptcy ("Trustee").
3. On or about November 19, 2019, Forden and Trustee entered into an Asset Purchase Agreement ("APA") pursuant to which Forden was to acquire certain wells, Crown petroleum and natural gas leases (the "Crown Leases") and related property from the estate of the bankrupt Sequoia. ("Transaction").
4. On or about December 13, 2019, the Court of Queen's Bench of Alberta approved the APA with an Approval and Vesting Order ("AVO") thus vesting title to the Crown Leases in the name of Forden.
5. Subsequently, Forden requested that the Crown Leases be registered in the name of Forden. The Minister of Energy has refused to transfer the Crown Leases until such time as royalties and rents on the Crown Leases ("Crown Arrears") are fully paid, arrears that predate the acquisition of the Crown Leases by Forden.
6. Forden's understanding at the completion of the Transaction was that Forden would not be liable to pay the Crown Arrears as a condition of the transfer of the Crown Leases. Forden maintains that the Crown Arrears are not Permitted Encumbrances, so are not a liability of Forden. Rather, the Crown Arrears are unsecured claims against the Sequoia estate. Forden verily believes that the Minister of Energy is not in compliance with the AVO.
7. Based on the APA as approved in the AVO, Forden is now the owner of the Purchased Assets which must be transferred to Forden with free and full title, subject to the Permitted Encumbrances listed in the AVO itself.
8. Forden claims that from the date of Sequoia's bankruptcy to the effective date of the APA the Crown Arrears are unsecured claims stayed by the bankruptcy. If the result is that Forden must pay the Crown Arrears, which is the opinion of the Trustee, the Crown would be put in a preferred position, contrary to general principles of law. The Crown had the opportunity to participate in the bankruptcy proceedings and failed to do so.
9. Forden believes that the proper interpretation of Section 5 of the AVO is that the Crown Arrears are "Claims", namely, "claims . . . liabilities . . . obligations . . . prior claims" and that Forden is to receive the "Purchased Assets" free and clear of the "Claims" and that by virtue of the precise language in the AVO, the Crown Arrears should be expunged and discharged.
10. Forden is relying on Section 10 of the AVO which states that "no further authorization or approval or any other action by any authority or regulatory body exercising jurisdiction over the Purchased Assets shall be required for the closing and post closing implementation of the Transaction contemplated by the Forden PSA."

11. Forden disagrees with what it believes to be the interpretation of the Trustee, that since the Schedule D references Permitted Encumbrances which refers to "all royalty burdens" that this means that Crown Arrears are payable as a condition of transfer of the Crown Leases.
12. The stall and the delay in the transfer of the Purchase Assets has caused and is still causing Forden severe and consistent damages and losses, including the loss of business and revenue and the depreciation of the Purchased Assets due to the incapacity to maintain and run the oil wells, which amount to not less than \$200,000.00.
13. As a result of these claims, the Applicants' seek a judicial declaration from the Court of Queen's Bench to order to the Minister of Energy to transfer the Leases to the Applicant based on s. 91.1 of the Mineral Leases Act and the AVO.

**Remedy Claimed or Sought:**

8. An Order:

- i. declaring that the Crown Arrears are a Claim, as that term is defined in the AVO;
- ii. ordering the Minister of Energy to transfer the Crown Leases;
- iii. damages in the amount of \$200,000.00; and
- iv. such further and other relief as this Honorable Court may deem appropriate.

**Affidavit or other evidence used in support of this application:**

9. The Affidavit of Nigel Woollam, sworn Monday, January 18, 2021; and
10. Such further and other material as this Honorable Court may permit.

**Applicable Acts and regulations:**

11. *Mines and Mineral Acts Alberta, 2000*
12. *Judicature Act*, RSA 200 c J-2, in particular Section 11; and
13. *Alberta Rules of Court*, Alta Reg 124/2010, in particular Section 1.3 and Section 1.2(2).
14. *Bankruptcy and Insolvency Act*, RSC 1985, C. B-3, as amended

**WARNING**

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court

This is Exhibit B 055  
referred to in the affidavit

of WAYNE TALJIT

Sworn before me this 12 day  
of December 2025

Commissioner for Oaths in and for  
the Province of Alberta

Luke Woulfe

A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA  
*Woulfe & Solinor*

District of: Alberta  
Division No. 01 - Edmonton  
Court No. 24-3260771  
Estate No. 24-3260771

FORM 01.1

General Sender Identification for: Copies of all Prescribed Forms  
Sent to Creditor(s) Electronically

Dated at the city of Edmonton in the Province of Alberta, this 20th day of August 2025.

Responsible Individual (Sender): Garrett Chan  
(Trustee)

Corporate Name : G. Chan & Associates Inc.

Address: 201, 9426 51 Ave NW  
Edmonton AB T6E 5A6

Telephone: (780) 900-4823

Fax: (780) 306-4986

E-mail: info@gcalit.ca

#### NOTICE

Please be advised that the above-noted individual is required to retain the signed original  
of the document as part of the official records of this proceeding.

District of: Alberta  
Division No. 01 - Edmonton  
Court No. 24-3260771  
Estate No. 24-3260771

Memo To Creditors

In the Matter of the Notice of Intention to Make a Proposal of  
Forden Energy Inc. (the "Company")

TAKE NOTICE THAT:

On August 17, 2025, the above named Company filed a Notice of Intention to Make a Proposal ("NOI") under s. 50.4(1) of the Bankruptcy and Insolvency Act ("BIA"). The Company is contemplating restructuring by way of a proposal to creditors under the BIA and is not bankrupt. Management of the Company remains in control of day to day operations.

G. Chan & Associates Inc. has been appointed to act as Proposal Trustee (the "Proposal Trustee") in the proceedings. The Proposal Trustee is an independent Court Officer responsible for monitoring the affairs of the Company while it is subject to the NOI proceedings and advises and participates in the preparation of a proposal.

Upon the filing of a NOI, a stay of proceedings is imposed pursuant to s. 69(1) of the BIA. No creditor has any remedy against the Company or the Company's property, nor shall any creditor commence or continue any action, execution, or other proceeding for the recovery of a claim provable in bankruptcy, except as otherwise provided under the BIA.

The Company is granted an initial period of 30 days to file a proposal and may, before the expiry of the 30-day period, apply to the Court for an extension of up to 45 days. Further extensions may be granted, on application to the Court, to the extent of 45 days for each individual extension, but the aggregate of all extensions cannot exceed 5 months.

No proofs of claim are required from creditors until such time that a proposal has been filed, except as may be requested by the Proposal Trustee.

Dated at the city of Edmonton in the Province of Alberta, this 20th day of August 2025.

G. Chan & Associates Inc. - Licensed Insolvency Trustee

201, 9426 51 Ave NW  
Edmonton AB T6E 5A6  
Phone: (780) 900-4823 Fax: (780) 306-4986

District of: Alberta  
Division No. 01 - Edmonton  
Court No. 24-3260771  
Estate No. 24-3260771

FORM 33  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

Take notice that:

1. I, Forden Energy Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. G. Chan & Associates Inc. of 201, 9426 51 Ave NW, Edmonton, AB, T6E 5A6, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the city of Edmonton in the Province of Alberta, this 15th day of August 2025.

---

Forden Energy Inc.  
Insolvent Person

To be completed by Official Receiver:

---

Filing Date

---

Official Receiver

of WAYNE TALJITSworn before me this 12 dayof December 2025Commissioner for Oaths in and for  
the Province of Alberta

Luke Woulfe

A COMMISSIONER FOR OATHS  
IN AND FOR THE

PROVINCE OF ALBERTA

Survitor &amp; Selector

**From:** Kourtney Gouthro  
**To:** Emmett Larsen  
**Subject:** FW: FORDEN ENERGY INC DEBT REVIEW SEPT 10 2025  
**Date:** Thursday, September 11, 2025 3:49:25 PM  
**Attachments:** image001.png, Forden Statement of Claim.pdf, image002.png

FYI

Classification: Protected A

**From:** Garrett Chan <garrett@gcalit.ca>  
**Sent:** September 11, 2025 3:27 PM  
**To:** Kourtney Gouthro <Kourtney.Gouthro@gov.ab.ca>  
**Cc:** Nigel Woollam <nigel@freedomwellsc.com>; Karl <kwvander@telus.net>; Jerritt Pawlyk <jerritt.pawlyk@ca.dlapiper.com>; Isaac Belland <isaac.belland@ca.dlapiper.com>; Susy Trace <strace@ogilvielaw.com>  
**Subject:** RE: FORDEN ENERGY INC DEBT REVIEW SEPT 10 2025

**CAUTION:** This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.

Kourtney,

Thank you for providing this to the Proposal Trustee.

Forden's assets, including the subject action, do not vest in the Proposal Trustee unlike in a bankruptcy or receivership. They remain with Forden which has retained legal counsel in Jerritt Pawlyk and Isaac Belland at DLA Piper. I have cc'd them on this email and correspondence regarding the action should also go to them.

While the Proposal Trustee is not vested with Forden's assets, the Proposal Trustee does have the role of a Court officer in participating in the proposal proceedings as a monitor of the affairs and restructuring of Forden.

In that respect, the Proposal Trustee would have concerns with both the striking of the claim and lifting of the stay of proceedings before it is able to ascertain the impact of same on Forden and its creditors.

Garrett Chan, CIRP, LIT  
 President

201, 9426 51 Ave NW  
Edmonton, AB, T6E 5A6

**web:** [www.gcalit.ca](http://www.gcalit.ca)  
**tel:** 780.619.7616  
**fax:** 780.306.4986  
**email:**  
[garrett@gcalit.ca](mailto:garrett@gcalit.ca)

**CONFIDENTIALITY WARNING:** The information in the e-mail is confidential and privileged. It is intended only for the use of the individual or entity it is addressed to. If the reader of this message is not the intended recipient, or the authorized agent thereof, the reader is hereby notified that the retention, dissemination, distribution or copying of this transmission is strictly prohibited. If you have received this communication in error, please notify the writer immediately and delete all copies of the original message.

**From:** Kourtney Gouthro <[Kourtney.Gouthro@gov.ab.ca](mailto:Kourtney.Gouthro@gov.ab.ca)>  
**Sent:** Thursday, September 11, 2025 11:34 AM  
**To:** Garrett Chan <[garrett@gcalit.ca](mailto:garrett@gcalit.ca)>  
**Subject:** FORDEN ENERGY INC DEBT REVIEW SEPT 10 2025

Hi Garrett,

I hope you're doing well. Reaching out on behalf of Alberta Energy. In 2021 Forden filed the attached statement of claim against Alberta Energy. Forden never retained counsel to action the claim, and no action was ever taken. Four years have now elapsed and Energy can bring an action to dismiss.

Given there is a stay of proceedings in effect, Energy wanted to confirm the following with you as Forden's trustee:

1. That the trustee has no interest in this claim;
2. That the trustee has no objection to Alberta Energy striking this claim; and
3. Whether, if necessary, the trustee is willing to lift the stay to allow Alberta to proceed with the striking application.

Please let me know if you have any questions. Thanks in advance for your assistance.

**Kourtney Gouthro**

Legal Assistant	11th Floor, South Petroleum Plaza	Tel 780-427-1869
Energy Legal Team	9915-108 Street	Fax 780-427-1871
Alberta Energy and Minerals	Edmonton, AB T5K 2G8	<a href="mailto:Kourtney.Gouthro@gov.ab.ca">Kourtney.Gouthro@gov.ab.ca</a>
Government of Alberta	Canada	

*This communication is confidential. It may contain privileged information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it. If you have received this communication in error, please notify us at once by reply e-mail then permanently delete the original, and*

This is Part 1  
referred to in the affidavit

of WAYNE TALJIT

Sworn before me this 12 day  
of December 2025

CERTIFIED, Wheaton  
by the Court Clerk as a true copy of  
the document digitally filed on Mar  
6, 2025

Luke Woulfe  
A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA  
*Monitor of Debtor*

060

Commissioner for Oaths in and for  
the Province of Alberta

COURT FILE NUMBER: 2401 09247

Clerk's stamp

COURT COURT OF KING'S BENCH  
OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF COMPANIES CREDITORS  
ARRANGEMENT ACT, RSC 1985, c C-36, 2025 Amended



AND IN THE MATTER OF COMPROMISE OR  
ARRANGEMENT OF LONG RUN EXPLORATION LTD.  
and CALGARY SINOENERGY INVESTMENT CORP.

APPLICANT ORPHAN WELL ASSOCIATION

RESPONDENT LONG RUN EXPLORATION LTD.

DOCUMENT RECEIVERSHIP ORDER

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

MLT AIKINS LLP  
Barristers and Solicitors  
2100, 222 3<sup>rd</sup> Ave SW  
Calgary, Alberta T2P 0B4  
Phone: 403.693.5420/780.969.3501  
Fax: 403.508.4349  
Attention: Ryan Zahara/Molly McIntosh  
File: 0148745.00007

DATE ON WHICH ORDER WAS PRONOUNCED: MARCH 5, 2025

LOCATION OF HEARING OR TRIAL: CALGARY, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE G.A. CAMPBELL

UPON the application of the Orphan Well Association (the "OWA") in respect of Long Run Exploration Ltd. (the "Debtor"); AND UPON having read the Application, the Affidavit of Lars De Pauw, sworn on February 26, 2025, the Eighth Report of FTI Consulting Canada Inc., in its capacity as the Monitor of Long Run Exploration Ltd. and Calgary Sinoenergy Investment Ltd., dated February 26, 2025, and the Affidavit of Service of Ameena Quazi, sworn on March 4, 2025; AND UPON reading the consent of PricewaterhouseCoopers Inc. to act as receiver and manager

(the "Receiver") of the Debtor, filed; **AND UPON** hearing counsel for the Applicants and any other counsel or other interested parties present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

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

**APPOINTMENT**

2. Pursuant to section 13(2) of the *Judicature Act*, RSA 2000, c J-2, section 99(a) of the *Business Corporations Act*, RSA 2000, c B-9 and section 106.1 of the *Oil and Gas Conservation Act*, RSA 2000, c O-6, PricewaterhouseCoopers Inc., LIT is hereby appointed as the Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, including all proceeds thereof (the "Property").

**RECEIVER'S POWERS**

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - (b) to abandon, dispose of, transfer or otherwise release any interest in any of the Debtor's personal or real property;
  - (c) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (d) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (e) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (f) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (h) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (k) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (l) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(m) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:

- (i) without the approval of this Court in respect of any transaction not exceeding \$500,000.00, provided that the aggregate consideration for all such transactions does not exceed \$3,000,000.00; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Alberta Personal Property Security Act*, RSA 2000, c P-7, or any other similar legislation in any other province or territory shall not be required.

(n) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(o) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(p) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity;

(q) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (r) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (t) to take any necessary steps to assign the Debtor into bankruptcy without further Order of this Court; and
- (u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, and without interference from any other Person (as defined below)

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto,

provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing

agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the Debtor or an action, suit or proceeding that is taken in respect of the Debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "Regulatory Body" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

#### NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with the written consent of the Receiver or leave of this Court, provided, however, that nothing in this Order shall:
  - (a) empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;
  - (b) prevent the filing of any registration to preserve or perfect a security interest;
  - (c) prevent the registration of a claim for lien; or
  - (d) exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Debtor where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

#### NO INTERFERENCE WITH THE RECEIVER

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement,

licence or permit in favour of or held by the Debtor, except with the written consent of the Receiver, or leave of this Court.

#### CONTINUATION OF SERVICES

12. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Debtor, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtor

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Receiver or exercising any other remedy provided under such agreements or arrangements. The Receiver shall be entitled to the continued use of the Debtor's current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

**EMPLOYEES**

14. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the *BIA*, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the *BIA* or under the *Wage Earner Protection Program Act*, SC 2005, c 47.
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, or section 18(1)(o) of the *Personal Information Protection Act*, SBC 2003, c 63, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

**LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
  - (i) before the Receiver's appointment; or

- (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
  - (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
    - A. complies with the order, or
    - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
  - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
    - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
    - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
  - (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

**LIMITATION ON THE RECEIVER'S LIABILITY**

17. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the *BIA*.

**RECEIVER'S ACCOUNTS**

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the *BIA*.

19. The Receiver and its legal counsel shall pass their accounts from time to time.

20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

**FUNDING OF THE RECEIVERSHIP**

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$5,000,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may

arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the *BIA*.

22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

#### **THE DIP LENDER'S CHARGE**

26. Notwithstanding the termination of the CCAA Proceedings and the appointment of the Receiver, the DIP Lender's Charge (as defined in paragraph 37 of the Second and Amended Restated Initial Order, granted by the Honourable Justice J.S. Little on July 30, 2024 (the "**SARIO**")) shall continue to charge the Property to secure all obligations under the Term Sheet and/or Definitive Documents (as defined in the SARIO) incurred on or after the date of the Initial Order, granted by the Honourable Justice K.M. Horner on July 4, 2024. The DIP Lender's Charge shall rank behind both the Receiver's Charge, and the Receiver's Borrowing Charge. The foregoing does not constitute a determination of

whether the DIP Lender's Charge can or will attach to any proceeds obtained by the Receiver from the operation or on a sale of the assets of the Debtor if there remains any outstanding abandonment and reclamation or other regulatory obligations (the "Regulatory Obligations") of the Debtor. Additionally, the DIP Lender's Charge is taken up in the receivership on a without prejudice basis to:

- (a) the Orphan Well Association and the Alberta Energy Regulator's ability to assert that any proceeds received by the Receiver must be first used to satisfy the Regulatory Obligations prior to making any payments under the DIP Lender's Charge, in accordance with the decision of the Supreme Court of Canada in *Orphan Well Association v Grant Thornton Limited*, 2019 SCC 5; and
- (b) any municipalities' ability to assert that municipal property taxes incurred as a result of owning or operating the Debtor's assets on or after July 4, 2024, take priority to the DIP Lender's Charge.

## ALLOCATION

27. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

## GENERAL

28. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
29. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
30. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

31. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction 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 orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
32. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
33. The Applicants shall have their costs of this application, up to and including entry and service of this Order on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
34. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

#### FILING

35. This Order is issued and shall be filed in Court of King's Bench Action No. 2501-00481.
36. The Receiver shall establish and maintain a website in respect of these proceedings at [www.pwc.com/ca/LongRun](http://www.pwc.com/ca/LongRun) (the "**Receiver's Website**") and shall post there as soon as practicable:
  - (a) all materials prescribed by statute or regulation to be made publicly available; and
  - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such

- 15 -

materials as are confidential and the subject of a sealing order or pending application for a sealing order.

37. 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 or otherwise served with notice of 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; and

(b) posting a copy of this Order on the Receiver's Website,

and service on any other person is hereby dispensed with.

38. 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 King's Bench of Alberta

This is Exhibit U  
referred to in the affidavit

of WAYNE TALJIT  
Sworn before me this 12 day  
of December, 2025

  
Commissioner for Oaths in and for  
the Province of Alberta

Luke Woulfe

A COMMISSIONER FOR OATHS  
IN AND FOR THE

PROVINCE OF ALBERTA



November 26, 2025

DELIVERED VIA EMAIL  
Ecem.Demir@gov.ab.ca

Paul M. Negenman\*  
D: 403.218.7542  
F: 403.269.9494  
pnegenman@lawsonlundell.com

Alberta Energy and Minerals  
#300 801 – 6th Ave SW  
Calgary, AB T2P 3W2

Attention: Ecem Demir  
Land Analyst, Agreement Administration

Re: ETS Transfer: 4854837 (the **ETS Transfer**)  
Crown Mineral Lease No: 0582060036 (the **Agreement**)  
PricewaterhouseCooper Inc, LIT, in its capacity as the Court-appointed receiver and  
manager of Long Run Exploration Ltd. (**Long Run**) sale to Barrel Oil Corp. (**Barrel**)  
Approval and Vesting Order filed October 15, 2025 (the **AVO**)

Lawson acts for Barrel in this matter. We are responding to your email dated October 31, 2025 to Barrel with respect to the ETS Transfer for the Agreement. In your email, Alberta Energy and Minerals (**AEM**) requests the payment of \$9,982.83 of outstanding gas royalty including interest under Long Run account G94 156960 (the **Pre-Filing Arrears**).

The Agreement was part of the “Purchased Assets” listed in Schedule “B” of in the attached AVO. Please see pages 588, 590 and 872 of the AVO pdf for specific references to the Agreement. Paragraph 3 of the AVO provides that upon delivery of the Receiver’s Closing Certificate (as defined in the AVO) to Barrel, all of Long Run’s right, title and interest in the Purchased Assets shall be vested to Barrel free and clear of any Claims (as defined in the AVO). The attached Receiver’s Closing Certificate indicates that the transaction contemplated by the Agreement closed on October 15, 2025. Accordingly, the Pre-Filing Arrears are not payable by Barrel.

Kindly confirm that AEM will process the ETS Transfer and agrees that Barrel is not responsible for the payment of the Pre-Filing Arrears.

Yours very truly,  
LAWSON LUNDELL LLP

Paul M. Negenman  
EBCI  
de.

Jim Rae, Barrel Oil Corp.  
Angad Bedi, Lawson Lundell LLP



Suite 1100 Brookfield Place  
225-6th Avenue SW  
Calgary, Alberta  
T2P 1N2  
T: 403.269.6900

12/2/25, 3:22 PM

RE: Tallahassee Exploration - Emmett Larsen - Outlook



RE: Tallahassee Exploration

From Energy Gas Royalty Collections &lt;Energy.GasRoyaltyCollections@gov.ab.ca&gt;

Date Fri 11/5/2021 5:29 PM

To Alicia Annas &lt;Alicia.Annas@gov.ab.ca&gt;

Cc Sabrina Tsang-Mackenzie &lt;Sabrina.Tsang-Mackenzie@gov.ab.ca&gt;; Danyelle Dryden &lt;danyelle.dryden@gov.ab.ca&gt;; Energy Gas Royalty Collections &lt;Energy.GasRoyaltyCollections@gov.ab.ca&gt;

Luke Woud  
 A COMMISSIONER FOR OATHS  
 IN AND FOR THE  
 PROVINCE OF ALBERTA  
*Register of Estates*

This is Exhibit   
 referred to in the affidavit  
 of WAYNE TALJIT

Sworn before me this 12 day  
 of December, 2025

Commissioner for Oaths in and for  
 the Province of Alberta

1 attachment (19 KB)

Trident ETS transfers lease breakdown.xlsx;

Hi Alicia,

See attached Lease breakdown that I sent in September. I believe the money from ETS transfer# 4131070 should go to Trident Exploration (Alberta) G94 160623 since these are all Trident's leases.

Not sure if the excess \$2,165.91 is for rents? If not then the overpayment can be refunded back to Tallahassee account G94 165135

Thanks

Darm

Classification: Protected A

**From:** Alicia Annas

**Sent:** November 5, 2021 4:43 PM

**To:** Energy Gas Royalty Collections

**Cc:** Sabrina Tsang-Mackenzie

**Subject:** FW: Tallahassee Exploration

Hello,

Tallahassee Exploration has submitted a payment to clear the royalty arrears for the attached leases. Please advise the G94 account Activity ID and the current royalty amount owing for the leases including interest. Please note there are three separate worksheets to review.

Any questions or concerns, please let me know.

Thank you,

Alicia Annas

A/Team Lead

Agreement Administration

(780) 427-8993

Classification: Protected A

**From:** Danyelle Dryden <danyelle.dryden@gov.ab.ca>

**Sent:** November 5, 2021 3:45 PM

**To:** Alicia Annas <Alicia.Annas@gov.ab.ca>

**Subject:** RE: Tallahassee Exploration

Okay, thanks Alicia!

Classification: Protected A

**From:** Alicia Annas <Alicia.Annas@gov.ab.ca>

**Sent:** November 5, 2021 3:44 PM

**To:** Connie Brailean <Connie.Brailean@gov.ab.ca>; Danyelle Dryden <danyelle.dryden@gov.ab.ca>; Energy Gas Royalty Collections <Energy.GasRoyaltyCollections@gov.ab.ca>

12/2/25, 3:22 PM

RE: Tallahassee Exploration - Emmett Larsen - Outlook

**Cc:** Sabrina Tsang-Mackenzie <[Sabrina.Tsang-Mackenzie@gov.ab.ca](mailto:Sabrina.Tsang-Mackenzie@gov.ab.ca)>**Subject:** RE: Tallahassee Exploration

Hi,

I will need to contact the client to obtain new written instructions on where to apply the funds. I will advise once I have received it.

Thank you,

Alicia Annas

A/Team Lead

Agreement Administration

(780) 427-8993

Classification: Protected A

**From:** Connie Brailean <[Connie.Brailean@gov.ab.ca](mailto:Connie.Brailean@gov.ab.ca)>**Sent:** November 5, 2021 2:53 PM**To:** Danyelle Dryden <[danyelle.dryden@gov.ab.ca](mailto:danyelle.dryden@gov.ab.ca)>; Alicia Annas <[Alicia.Annas@gov.ab.ca](mailto:Alicia.Annas@gov.ab.ca)>; Energy Gas Royalty Collections <[Energy.GasRoyaltyCollections@gov.ab.ca](mailto:Energy.GasRoyaltyCollections@gov.ab.ca)>**Cc:** Sabrina Tsang-Mackenzie <[Sabrina.Tsang-Mackenzie@gov.ab.ca](mailto:Sabrina.Tsang-Mackenzie@gov.ab.ca)>**Subject:** RE: Tallahassee Exploration

Danyelle it maybe royalty arrears which is our Collections Team?

I sent it to them too.

In the interim if you need to deposit it put in that DDP Revcoll and we can move it later?

If that helps?

Connie

Classification: Protected A

**From:** Danyelle Dryden <[danyelle.dryden@gov.ab.ca](mailto:danyelle.dryden@gov.ab.ca)>**Sent:** November 5, 2021 2:48 PM**To:** Alicia Annas <[Alicia.Annas@gov.ab.ca](mailto:Alicia.Annas@gov.ab.ca)>**Cc:** Sabrina Tsang-Mackenzie <[Sabrina.Tsang-Mackenzie@gov.ab.ca](mailto:Sabrina.Tsang-Mackenzie@gov.ab.ca)>; Connie Brailean <[Connie.Brailean@gov.ab.ca](mailto:Connie.Brailean@gov.ab.ca)>**Subject:** FW: Tallahassee Exploration

Hi Alicia,

I'm not sure if this is something you can advise on? A payment of \$200K has been received in our Calgary office by Tallahassee. They've advised to allocate \$149,054.35 to G94 165135 but no idea where to allocate the balance of the payment.

I was in touch with Nadim Ajib who forwarded the attached email to me that I see you were sent from Melanie who is out of the office.

Please advise if you are able to tell me where to allocate the balance of this payment?

Thanks so much!

Danyelle

**DANYELLE DRYDEN**

Payment Processing &amp; Banking Analyst

Alberta Energy, Accounts Receivable

T: (780) 427-8887

Fax: (780) 422-4281

 ENERGY

respect accountability integrity excellence

 Studies show that trees live longer when they're not cut down. Please print only when necessary

Classification: Protected A

**From:** Gas Royalty Accounts <[GasRoyaltyAccounts.Energy@gov.ab.ca](mailto:GasRoyaltyAccounts.Energy@gov.ab.ca)>**Sent:** November 5, 2021 2:32 PM**To:** Danyelle Dryden <[danyelle.dryden@gov.ab.ca](mailto:danyelle.dryden@gov.ab.ca)>; Sabrina Tsang-Mackenzie <[Sabrina.Tsang-Mackenzie@gov.ab.ca](mailto:Sabrina.Tsang-Mackenzie@gov.ab.ca)>; Gas Royalty Accounts <[GasRoyaltyAccounts.Energy@gov.ab.ca](mailto:GasRoyaltyAccounts.Energy@gov.ab.ca)>; Energy Gas Royalty Collections <[Energy.GasRoyaltyCollections@gov.ab.ca](mailto:Energy.GasRoyaltyCollections@gov.ab.ca)>

12/2/25, 3:22 PM

RE: Tallahassee Exploration - Emmett Larsen - Outlook

**Cc:** Melanie Kruger <[Melanie.Kruger@gov.ab.ca](mailto:Melanie.Kruger@gov.ab.ca)>; Energy Transfers <[Transfers.Energy@gov.ab.ca](mailto:Transfers.Energy@gov.ab.ca)>**Subject:** RE: Tallahassee Exploration

Not sure I am going to forward this to the Collections Team for their input on the remainder of the amount.

Connie

Collections Team: Are you aware of the details of the reminder of the funds allocated to the transfer for royalty arrears?

Connie

Classification: Protected A

**From:** Danyelle Dryden <[danyelle.dryden@gov.ab.ca](mailto:danyelle.dryden@gov.ab.ca)>**Sent:** November 5, 2021 2:28 PM**To:** Sabrina Tsang-Mackenzie <[Sabrina.Tsang-Mackenzie@gov.ab.ca](mailto:Sabrina.Tsang-Mackenzie@gov.ab.ca)>; Gas Royalty Accounts <[GasRoyaltyAccounts.Energy@gov.ab.ca](mailto:GasRoyaltyAccounts.Energy@gov.ab.ca)>**Cc:** Melanie Kruger <[Melanie.Kruger@gov.ab.ca](mailto:Melanie.Kruger@gov.ab.ca)>; Energy Transfers <[Transfers.Energy@gov.ab.ca](mailto:Transfers.Energy@gov.ab.ca)>**Subject:** RE: Tallahassee Exploration

Thanks Connie and Sabrina,

Royalty arrears for the G94? I need an activity id in order to allocate the funds.

Thanks again

Danyelle

Classification: Protected A

**From:** Sabrina Tsang-Mackenzie <[Sabrina.Tsang-Mackenzie@gov.ab.ca](mailto:Sabrina.Tsang-Mackenzie@gov.ab.ca)>**Sent:** November 5, 2021 2:26 PM**To:** Gas Royalty Accounts <[GasRoyaltyAccounts.Energy@gov.ab.ca](mailto:GasRoyaltyAccounts.Energy@gov.ab.ca)>; Danyelle Dryden <[danyelle.dryden@gov.ab.ca](mailto:danyelle.dryden@gov.ab.ca)>**Cc:** Melanie Kruger <[Melanie.Kruger@gov.ab.ca](mailto:Melanie.Kruger@gov.ab.ca)>; Energy Transfers <[Transfers.Energy@gov.ab.ca](mailto:Transfers.Energy@gov.ab.ca)>**Subject:** RE: Tallahassee Exploration

Hi Danyelle,

Please apply \$149,054.35 to G94165135

I'm hoping the above amount will cover the royalty arrears for Tallahassee.

Unfortunately there was no attachment along with the email sent to us. But looking on previous emails (attached), this check is to be applied to Tallahassee's Royalty arrears.

Please let me know if you have further questions.

Thank you,

*Sabrina Tsang-Mackenzie*

Land Analyst

Agreement Administration

780-644-8970

Classification: Protected A

**From:** Gas Royalty Accounts <[GasRoyaltyAccounts.Energy@gov.ab.ca](mailto:GasRoyaltyAccounts.Energy@gov.ab.ca)>**Sent:** November 5, 2021 2:18 PM**To:** Danyelle Dryden <[danyelle.dryden@gov.ab.ca](mailto:danyelle.dryden@gov.ab.ca)>; Melanie Kruger <[Melanie.Kruger@gov.ab.ca](mailto:Melanie.Kruger@gov.ab.ca)>**Cc:** Gas Royalty Accounts <[GasRoyaltyAccounts.Energy@gov.ab.ca](mailto:GasRoyaltyAccounts.Energy@gov.ab.ca)>; Sabrina Tsang-Mackenzie <[Sabrina.Tsang-Mackenzie@gov.ab.ca](mailto:Sabrina.Tsang-Mackenzie@gov.ab.ca)>**Subject:** RE: Tallahassee Exploration

Danyelle,

You can apply the \$149,054.35 to G94165135

Sabrina are you able to advise Danyelle regarding the amount they are referring to as a Transfer?

Thanks,

Connie

Classification: Protected A

**From:** Danyelle Dryden <[danyelle.dryden@gov.ab.ca](mailto:danyelle.dryden@gov.ab.ca)>**Sent:** November 5, 2021 1:28 PM**To:** Melanie Kruger <[Melanie.Kruger@gov.ab.ca](mailto:Melanie.Kruger@gov.ab.ca)>

12/25, 3:22 PM

RE: Tallahassee Exploration - Emmett Larsen - Outlook

**Cc:** Gas Royalty Accounts <[GasRoyaltyAccounts.Energy@gov.ab.ca](mailto:GasRoyaltyAccounts.Energy@gov.ab.ca)>**Subject:** Tallahassee Exploration

Hi Melanie,

A payment was received in our Calgary office for \$200K. This letter was attached. Should the full amount be allocated to G94 165135? Please advise.

Thanks so much!

Danyelle

**DANYELLE DRYDEN**

Payment Processing &amp; Banking Analyst

Alberta Energy, Accounts Receivable

T: (780) 427-8887

Fax: (780) 422-4281

 ENERGY

respect accountability integrity excellence

 Studies show that trees live longer when they're not cut down. Please print only when necessary

Classification: Protected A

12/2/25, 3:26 PM

0589060380: DIRECT OIL &amp; GAS INC. to BLUE SKY RESOURCES LTD. (ETS TRANSFER 4220879) - Emmett Larsen - Outlook

**Shauna Gibbons**

Barrister & Solicitor	9th Floor, North Petroleum Plaza	Tel 780-641-8696
Energy Legal Services	9945-108 Street	Fax 780-427-1871
Legal Services Division	Edmonton, AB T5K 2G6	<a href="mailto:Shauna.Gibbons@gov.ab.ca">Shauna.Gibbons@gov.ab.ca</a>
Justice and Solicitor General	Canada	
Government of Alberta		

*This email may contain legal advice that is confidential and subject to solicitor client privilege. Please do not forward this email without the express consent of the author.*

*This communication is confidential. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it. If you have received this communication in error, please notify us at once by reply e-mail then permanently delete the original, and destroy any copy or print-out. Thank you.*

LUKE WILSON  
A COMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA  
*Lawyer & Solicitor*

Classification: Protected A

**From:** Melanie Kruger <[Melanie.Kruger@gov.ab.ca](mailto:Melanie.Kruger@gov.ab.ca)>

**Sent:** November 23, 2021 2:23 PM

**To:** Shauna Gibbons <[Shauna.Gibbons@gov.ab.ca](mailto:Shauna.Gibbons@gov.ab.ca)>

**Cc:** Kourtney Gouthro <[Kourtney.Gouthro@gov.ab.ca](mailto:Kourtney.Gouthro@gov.ab.ca)>; Kenneth Whitelaw <[kenneth.whitelaw@gov.ab.ca](mailto:kenneth.whitelaw@gov.ab.ca)>;

Energy Transfers <[Transfers.Energy@gov.ab.ca](mailto:Transfers.Energy@gov.ab.ca)>

**Subject:** RE: DIRECT OIL & GAS INC. to BLUE SKY RESOURCES LTD. (ETS TRANSFER 4220879)

Thank you Shauna.

I have approved ETS TRANSFER 4220879 as from my records there were no outstanding gas royalty associated with the agreement on this request.

As for ETS TRANSFER 4220872, I have emailed gas royalty to see if payment has been received (hadn't as of Oct. 28). I will not approve until payment has been received as it sounded like the discussion was between the receiver and CNRL as to who and what would be paid by who.

Melanie

Classification: Protected A

**From:** Shauna Gibbons <[Shauna.Gibbons@gov.ab.ca](mailto:Shauna.Gibbons@gov.ab.ca)>

**Sent:** November 22, 2021 3:29 PM

**To:** Melanie Kruger <[Melanie.Kruger@gov.ab.ca](mailto:Melanie.Kruger@gov.ab.ca)>; Energy Transfers <[Transfers.Energy@gov.ab.ca](mailto:Transfers.Energy@gov.ab.ca)>

**Cc:** Kourtney Gouthro <[Kourtney.Gouthro@gov.ab.ca](mailto:Kourtney.Gouthro@gov.ab.ca)>; Kenneth Whitelaw <[kenneth.whitelaw@gov.ab.ca](mailto:kenneth.whitelaw@gov.ab.ca)>

**Subject:** RE: DIRECT OIL & GAS INC. to BLUE SKY RESOURCES LTD. (ETS TRANSFER 4220879)

Dear Melanie,

I have reviewed the Receiver's Certificate and the associated Approval and Vesting Order (and its amendment). Technically, all conditions in the Order are satisfied, and I advise you may approve the transfer requests 4220872 and 4220879 from Direct Oil & Gas to Blue Sky Resources Ltd. Please be advised that this is in accordance with paragraph 5 of the Approval and Vesting Order, notwithstanding that you have not received outstanding royalty payment G94165599. That being said, you may want to request the royalty payment in advance of the transfer to

12/2/25, 3:26 PM

0589060380: DIRECT OIL &amp; GAS INC. to BLUE SKY RESOURCES LTD. (ETS TRANSFER 4220879) - Emmett Larsen - Outlook

protect your interests in the outstanding royalties payment. If Blue Sky Resources Ltd. refuses, there should be reason for that (likely a term in a Purchase and Sales Agreement). We can review this agreement or any cited terms if required.

In short, the transfer may proceed with or without the royalty payment, however it is unlikely that you will receive royalty payment after the transfer is made.

Let me know if you need further guidance on the royalty payment.

Regards,

**Shauna Gibbons**

Barrister & Solicitor	9th Floor, North Petroleum Plaza	Tel 780-641-8696
Energy Legal Services	9945-108 Street	Fax 780-427-1871
Legal Services Division	Edmonton, AB T5K 2G6	<a href="mailto:Shauna.Gibbons@gov.ab.ca">Shauna.Gibbons@gov.ab.ca</a>
Justice and Solicitor General	Canada	
Government of Alberta		

*This email may contain legal advice that is confidential and subject to solicitor client privilege. Please do not forward this email without the express consent of the author.*

*This communication is confidential. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it. If you have received this communication in error, please notify us at once by reply e-mail then permanently delete the original, and destroy any copy or print-out. Thank you.*

**From:** Melanie Kruger <[Melanie.Kruger@gov.ab.ca](mailto:Melanie.Kruger@gov.ab.ca)>  
**Sent:** November 17, 2021 9:42 AM  
**To:** Shauna Gibbons <[Shauna.Gibbons@gov.ab.ca](mailto:Shauna.Gibbons@gov.ab.ca)>  
**Cc:** Energy Transfers <[Transfers.Energy@gov.ab.ca](mailto:Transfers.Energy@gov.ab.ca)>  
**Subject:** FW: DIRECT OIL & GAS INC. to BLUE SKY RESOURCES LTD. (ETS TRANSFER 4220879)

Good Morning Shauna,

Some additional information received from Blue Sky with respect to the above ETS Transfer. I believe Ken forwarded you the email I sent to him for this transfer as well as for 4220872 on November 15.

It appears that Blue Sky is still trying to receive confirmation that CNRL will be paying the outstanding gas royalties.

Thank you,

## Melanie Kruger

Land Analyst  
 Agreement Administration  
 Energy Operations, Tenure Branch  
 11<sup>th</sup> Fl North Petroleum Plaza, Station 1115  
 T: 780 427 8955  
 Helpdesk: (780) 644-2300 option 5

12/2/25, 3:26 PM

0589060380: DIRECT OIL &amp; GAS INC. to BLUE SKY RESOURCES LTD. (ETS TRANSFER 4220879) - Emmett Larsen - Outlook

E: [transfers.energy@gov.ab.ca](mailto:transfers.energy@gov.ab.ca)

Classification: Protected A

**From:** Debbie Kinnon <[debbie.k@bsrl.ca](mailto:debbie.k@bsrl.ca)>  
**Sent:** November 16, 2021 3:06 PM  
**To:** Sabrina Tsang-Mackenzie <[Sabrina.Tsang-Mackenzie@gov.ab.ca](mailto:Sabrina.Tsang-Mackenzie@gov.ab.ca)>  
**Cc:** Melanie Kruger <[Melanie.Kruger@gov.ab.ca](mailto:Melanie.Kruger@gov.ab.ca)>; Mike Bouvier <[mike.b@bsrl.ca](mailto:mike.b@bsrl.ca)>  
**Subject:** RE: DIRECT OIL & GAS INC. to BLUE SKY RESOURCES LTD. (ETS TRANSFER 4220879)

**CAUTION:** This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.

Good afternoon Sabrina, we are finally in receipt of Trustees Closing Certificate relating to Bankruptcy and Insolvency of Direct Oil & Gas Inc. (please see attached).

Also, we have received confirmation from Mr. Kevin Blencowe at Canadian Natural Resources that CNR they will settle the outstanding royalty arrears relating to 100/04-12-097-03W6/00 for the period relating to the arrears in question regarding the Direct Oil & Gas acquisition by Blue Sky Resources Ltd.. I have requested confirmation of this payment by CNR, but to date have not received same. It may be something that can be confirmed on your end that arrears have in fact been resolved.

Trusting the attached is in order, I look forward to confirmation that the pending Mineral Transfer can proceed as requested.

Please do not hesitate to let me know if you require any further information in this regard.

Thank you,

Debbie Kinnon

Consulting Land Analyst | [Debbie.k@bsrl.ca](mailto:Debbie.k@bsrl.ca) | Office: (403) 218-7335 | Cell: (403) 540-0070



**From:** Debbie Kinnon  
**Sent:** October-29-21 12:45 PM  
**To:** [Sabrina.Tsang-Mackenzie@gov.ab.ca](mailto:Sabrina.Tsang-Mackenzie@gov.ab.ca)  
**Cc:** 'Melanie Kruger' <[Melanie.Kruger@gov.ab.ca](mailto:Melanie.Kruger@gov.ab.ca)>  
**Subject:** FW: DIRECT OIL & GAS INC. to BLUE SKY RESOURCES LTD. (ETS TRANSFER 4220879)

Plus, attached is revised Amending Order for Direct Oil & Gas Inc. a supporting document.

Thanks,

Debbie Kinnon

Consulting Land Analyst | [Debbie.k@bsrl.ca](mailto:Debbie.k@bsrl.ca) | Office: (403) 218-7335 | Cell: (403) 540-0070

12/25, 3:26 PM

0589060380: DIRECT OIL &amp; GAS INC. to BLUE SKY RESOURCES LTD. (ETS TRANSFER 4220879) - Emmett Larsen - Outlook



**From:** [debbie.k@bsrl.ca](mailto:debbie.k@bsrl.ca) [mailto:[debbie.k@bsrl.ca](mailto:debbie.k@bsrl.ca)]

**Sent:** October-29-21 12:27 PM

**To:** 'Energy Transfers'

**Subject:** RE: DIRECT OIL & GAS INC. to BLUE SKY RESOURCES LTD. (ETS TRANSFER 4220879)

Good morning Sabrina, we have been working with Melanie in this regard (see email chain attached) and I know that she has also been contacted by the Trustee for Direct Oil & Gas (MNP) to confirm what is required with regard to the Receiver's Certificate.

MNP are working with CNRL to attempt to resolve the royalty issue.

Please advise if you have taken this over from Melanie and we should be working with you go forward?

Thanks,

Debbie Kinnon

Consulting Land Analyst | [Debbie.k@bsrl.ca](mailto:Debbie.k@bsrl.ca) | Office: (403) 218-7335 | Cell: (403) 540-0070



**From:** Sabrina Tsang-Mackenzie [mailto:[Sabrina.Tsang-Mackenzie@gov.ab.ca](mailto:Sabrina.Tsang-Mackenzie@gov.ab.ca)] On Behalf Of Energy Transfers

**Sent:** October-28-21 1:23 PM

**To:** 'debbie.k@bsrl.ca'

**Cc:** [robin.couronne@sproule.com](mailto:robin.couronne@sproule.com)

**Subject:** DIRECT OIL & GAS INC. to BLUE SKY RESOURCES LTD. (ETS TRANSFER 4220879)

Hello Debbie,

Energy has received a transfer request from DIRECT OIL & GAS INC. to BLUE SKY RESOURCES LTD. (ETS# 4220879) We are aware that DIRECT OIL & GAS INC. is in insolvency proceedings.

We require the related Receiver's Certificate and the Vesting Order before we can have our Legal team review the transfer request.

If there are any outstanding rentals or royalties debts, they need to be paid before the transfer will be completed.

If we do not receive payment of arrears and your documents by (30 days from the date of the email) we will reject your transfer request

Thank you,

12/2/25, 3:26 PM 0589060380: DIRECT OIL & GAS INC. to BLUE SKY RESOURCES LTD. (ETS TRANSFER 4220879) - Emmett Larsen - Outlook

*Sabrina Tsang-MacKenzie*  
Land Analyst  
Agreement Administration  
780-644-8970

Classification: Protected A

referred to in the affidavit  
of WAYNE TALJIT

Sworn before me this 12 day  
of December 2025

John  
Commissioner for Oaths in and for  
the Province of Alberta

COURT FILE NUMBER 2501 - 09028

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE BANKRUPTCY AND  
INSOLVENCY ACT, RSC 1985, C B-3, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF CLEO  
ENERGY CORP.

APPLICANT UCAPITAL – ULOAN SOLUTIONS INC.

RESPONDENT CLEO ENERGY CORP.

DOCUMENT TRANSACTION APPROVAL AND REVERSE VESTING  
ORDER

ADDRESS FOR SERVICE AND MILLER THOMSON LLP  
CONTACT INFORMATION OF Barristers and Solicitors  
PARTY FILING THIS 525-8<sup>th</sup> Avenue SW, 43<sup>rd</sup> Floor  
DOCUMENT Calgary, AB, Canada T2P 1G1

Attention: James W. Reid / Pavin Takhar  
Telephone: 403-298-2418 / 403-298-2432  
Email: [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com) /  
[ptakhar@millerthomson.com](mailto:ptakhar@millerthomson.com)  
File No. 0289127.0002

DATE ON WHICH ORDER WAS PRONOUNCED: November 14, 2025

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Courts Centre

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice M. H. Bourque

UPON THE APPLICATION of Alvarez & Marsal Canada Inc. ("A&M"), in its capacity as Court-appointed receiver and manager (A&M in such capacity, the "Receiver") of CLEO Energy Corp. (the "Company") for an order (among other things) approving the sale transaction (the "Transaction") contemplated by the share purchase agreement between 2698902 Alberta Corp. (the "Purchaser") and the Receiver (the "SPA") dated October 6, 2025, and attached as Appendix "A" to the First Report of the Receiver dated October 6, 2025 (the "First Report");

AND UPON HAVING READ the Application, the First Report, the Supplement to the First Report of the Receiver dated October 24, 2025, and the Second Report of the Receiver dated November 5, 2024;

Luke Woulfe  
ACOMMISSIONER FOR OATHS  
IN AND FOR THE  
PROVINCE OF ALBERTA

*Provost & Solicitor*

085



- 2 -

AND UPON HAVING READ the Affidavit of Service of Marica Ceko sworn November 12, 2025;

**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.

**CAPITALIZED TERMS**

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the SPA.

**APPROVAL OF TRANSACTION**

3. The SPA and Transaction are hereby approved, and execution of the SPA by the Receiver and Purchaser is hereby authorized and approved, with such amendments as the Receiver and the Purchaser may agree to. The Receiver and Purchaser are hereby authorized and directed to complete the Transaction subject to the terms of the SPA, to perform their respective obligations under the SPA, and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction. In the event of any conflict between the terms of the SPA and this Order, this Order shall prevail.

4. Subject to the terms of the SPA, this Order shall constitute the only authorization required by the Receiver to proceed with the reorganization and Transaction and that no shareholder, director or other approval or notice shall be required in connection therewith.

**REORGANIZATION AND ISSUANCE OF SHARES OF THE COMPANY**

5. On the Closing Date, the Receiver is hereby authorized and directed to complete the Transaction, including the issuance of the Purchased Shares to the Purchaser in consideration of the Purchase Price.

6. The Purchased Shares shall be issued by the Receiver to the Purchaser free and clear of and from any Losses or Encumbrances.

- 3 -

7. The Purchaser and the Receiver, in completing the Transaction, are authorized to:

- (a) execute and deliver any documents and assurances governing or giving effect to the Transaction as the Purchaser and/or the Receiver, in their discretion, may deem to be reasonably necessary or advisable to conclude the Transaction, including the execution of all such ancillary documents as may be contemplated in the SPA or necessary or desirable for the completion and implementation of the Transaction, and all such ancillary documents are hereby ratified, approved and confirmed; and
- (b) take such steps as are, in the opinion of the Receiver and/or the Purchaser, necessary or incidental to the implementation of the Transaction.

8. The Receiver and the Purchaser are hereby permitted to execute and file other documents or instruments as may be required to permit or enable the Transaction, including without limitation, the issuance of the Purchased Shares, and such other documents or instruments shall be deemed to be duly authorized, valid, and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the reorganization.

9. The Registrar appointed pursuant to Section 263 of the *Business Corporations Act*, RSA 2000, c B-9, shall accept and receive any documents or instruments as may be required to permit or enable and effect the Transaction contemplated in the SPA, filed by either the Receiver or the Purchaser, as the case may be.

#### VESTING OF ASSETS AND LIABILITIES

10. Subject to the terms of the SPA, upon delivery of the Receiver's certificate to the Purchaser substantially in the form set out in Schedule "A" hereto (the "**Receiver's Certificate**"), the following shall occur and be deemed to occur commencing at the time of delivery of the Receiver's Certificate (the "**Closing Time**") in the following sequence:

- (a) all right, title and interest of the Company in and to the Excluded Assets, Excluded Liabilities and Excluded Contracts shall be transferred to and shall vest absolutely and exclusively, without recourse, in ResidualCo and all Losses and Encumbrances attached to the Excluded Assets, Excluded Liabilities and Excluded Contracts (other than the Retained Liabilities) shall continue to attach to

the Excluded Assets, Excluded Liabilities and Excluded Contracts with the same nature and priority as they had immediately prior to their transfer. For greater clarity and subject to paragraph 10.1 below, any Excluded Assets consisting of proceeds of the sale of assets of the Company from previous transactions or pursuant to this order shall transfer to ResidualCo for administration by the Receiver subject to the same rights, priorities, and claims, including any deemed trust claims, that existed as against the Company;

- (b) all Losses and Encumbrances in respect of the Company (including the "**Excluded Liabilities**" as defined in Schedule "B" to the SPA), other than the Retained Liabilities, shall be transferred to and assumed by and shall vest absolutely and exclusively without recourse in the name of ResidualCo and shall no longer be liabilities of the Company, and (i) such Losses and Encumbrances (including the Excluded Liabilities) shall continue to attach to the Excluded Assets and Excluded Contracts with the same nature and priority as they had immediately prior to the Closing Time, as if the Excluded Assets and Excluded Contracts had not been conveyed and had remained in the possession or control of the person having that possession or control immediately prior to the transfer; (ii) such Losses and Encumbrances equal to the fair market value of the Excluded Assets and Excluded Contracts shall be transferred to and assumed by ResidualCo in consideration for the transfer of the Excluded Assets and Excluded Contracts; and (iii) the remaining Losses and Encumbrances shall be transferred to and assumed by ResidualCo for no consideration as part of, and to facilitate, the implementation of the Transaction;
- (c) all Excluded Liabilities shall be novated and become obligations of ResidualCo and not obligations of the Company, and the Company, the Purchaser and the Retained Assets and Retained Contracts shall be forever released from such Excluded Liabilities, which shall be irrevocably expunged and discharged as against the Company, the Purchaser, the Retained Assets, and the Retained Contracts;
- (d) the commencement or prosecution, whether directly, indirectly, derivatively, or otherwise of any demands, claims, actions, counterclaims, suits, judgements, or other remedies or recoveries with respect to any indebtedness, liability, obligation

- 5 -

or cause of action against the Company in respect of the Excluded Liabilities shall be permanently enjoined;

- (e) without limiting subparagraph 10(a), any and all security registrations against the Company (other than any security registrations in respect of the Retained Liabilities) shall be and are hereby forever released and discharged as against the Company, and all such security registrations shall attach to the Excluded Assets vested in ResidualCo and maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Closing Time, as if the Excluded Assets had not been conveyed and remained in the possession or control of the person having that possession or control immediately prior to the transfer, and no financing change statements in any applicable personal property or other registry system are required to reflect the transfer of and assumption by ResidualCo of such security registrations;
- (f) the Company shall cease to be a party in this Action and shall be released from the purview of the Receivership Order and all other orders of this Court granted in these proceedings;
- (g) ResidualCo shall replace the Company as respondent in the Receivership Proceedings and shall be subject to the terms of all Orders granted in the Receivership Proceedings;
- (h) the title of these proceedings shall be amended as follows:

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985,  
C B-3, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF 2755857 ALBERTA LTD.

- (i) nothing in this order circumscribes statutory audit procedures respecting Crown mineral leases, including (i) the Company's ability to submit invoices or gas cost, or (ii) the Crown in right of Alberta's ability to conduct audits as deemed necessary in accordance with such procedures.

10.1 Notwithstanding anything in paragraph 10 above, the Purchase Price proceeds will be used to satisfy any valid and proven cure costs that may be owing in respect of the Crown in right of Alberta. Any other claimants with proven cure costs that may be owing in respect of contracts that will form part of the Retained Assets, will be entitled to be paid from the Purchase Price

proceeds *pro rata*, subject only to the Receiver's Charge. If any valid and proven cure costs amounts are not able to be satisfied, such contract counterparties are permitted to waive their share of Purchase Price proceeds and terminate their agreement with the Company.

11. As of the Closing Time:

- (a) the Company shall continue to hold all right, title and interest in and to the Retained Assets and Retained Contracts, free and clear of all Losses and Encumbrances other than the Retained Liabilities; and
- (b) the Company shall be deemed to have disposed of the Excluded Assets and Excluded Contracts and shall have no right, title or interest in or to the Excluded Assets and Excluded Contracts.

12. For greater certainty, any person that, prior to the Closing Time, had a Loss and/or Encumbrance (other than any Retained Liabilities) against the Company or its assets, properties or undertakings shall, as of the Closing Time, no longer have any such Loss or Encumbrance against or in respect of the Company, the Retained Assets, or the Retained Contracts, but shall have an equivalent Loss or Encumbrance, as applicable against ResidualCo from and after the Closing Time, with the same attributes, rights, security, nature and priority as such Loss or Encumbrance had immediately prior to its transfer to ResidualCo, and nothing in this Order limits, lessens, modifies (other than by change in debtor) or extinguishes the Loss or Encumbrance of any Person as against the Excluded Assets, and Excluded Contracts to ResidualCo.

13. From and after the Closing Time, the Purchaser and/or the Receiver shall be authorized to take all steps as may be necessary to effect the discharge and release as against the Company, the Retained Assets, and Retained Contracts of the Losses and Encumbrances that are transferred to and vested in ResidualCo.

14. From and after the Closing Time, the Purchaser and/or the Receiver shall be authorized to take all steps as may be necessary to effect the discharge and release as against the Company, the Retained Assets and the Retained Contracts of the Losses and Encumbrances that are transferred to and vested in ResidualCo pursuant to this Order, including but not limited to applying for such discharges at the Alberta Land Titles Registry, the Alberta Mines and Minerals Registry, the Alberta Personal Property Registry, or such similar registries in any other province or territory of Canada.

15. Upon the delivery of the Receiver's Certificate, and upon filing a certified copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Company, the Retained Assets, the Retained Contracts, or the Excluded Assets, including but not limited to the Alberta Energy Registry, Alberta Personal Property Registry or the Alberta Land Titles Office (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's 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 give effect to the terms of this Order and the completion of the Transaction and to discharge and release all Losses and Encumbrances other than Retained Liabilities against or in respect of the Company, the Retained Assets, and the Retained Contracts, and presentment of this Order and the Receiver's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

16. Without limiting the generality of the foregoing paragraph, the Registrar of the Alberta Personal Property Registry is hereby shall and is hereby directed to forthwith cancel and discharge the following registrations attached as **Schedule "B"** and **"C"**, but only in respect of the Company.

#### RELEASES

17. From and after the Closing Time, (i) Chris Lewis in his capacity as former director of the Company (ii) the Receiver and its legal counsel, Miller Thomson LLP; and (iii) Chris Lewis in his capacity as director of ResidualCo (the persons listed in (i), (ii) and (iii) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of actions, counterclaims suits, damages, judgments, executions, recoupments of debts, sums of money, expenses, accounts liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omissions, transaction, dealing or other occurrence existing or taking place prior to the Closing Time in connection with the Transaction or completed pursuant to the terms of this Order (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided that the Released Claims shall not include any claim

or liability that is determined by a court of competent jurisdiction to have constituted actual fraud, gross negligence, or willful misconduct on the part of the applicable Released Party.

18. From and after the Closing Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Receiver, the Company, the Purchaser, the Retained Assets or the Retained Contracts, in any way relating to, arising from or in respect of:

- (a) the Excluded Assets;
- (b) the Excluded Liabilities;
- (c) the Excluded Contracts;
- (d) any and all Losses or Encumbrances other than the Retained Liabilities against or relating to the Company, the Excluded Assets, the Excluded Liabilities, the Retained Assets, or the Retained Contracts existing immediately prior to the Closing Time;
- (e) the insolvency of the Company prior to the Closing Time;
- (f) the commencement or existence of these receivership proceedings; or
- (g) the completion of the Transaction.

#### **THE RECEIVER**

19. The Receiver is hereby authorized to undertake and perform such activities and obligations as are contemplated to be undertaken and perform such activities and obligations as are contemplated to be undertaken or performed by the Receiver pursuant to this Order and the SPA or any ancillary document related thereto.

20. Notwithstanding anything contained in this Order the Receiver, its employees and representatives are not and shall not be or deemed to be a director, officer or employee of ResidualCo, de facto or otherwise, and shall incur no liability in connection therewith, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Receiver pursuant to the Receivership Order or any further order granted in these proceedings or the BIA shall continue to apply. For greater certainty the terms of the Receivership Order and any other Orders granted in these proceedings shall apply in respect

**Schedule "A"**

COURT FILE NUMBER	B301-163430
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, C B-3, AS AMENDED	
AND IN THE MATTER OF THE RECEIVERSHIP OF CLEO ENERGY CORP.	
APPLICANT	UCAPITAL – ULOAN SOLUTIONS INC.
RESPONDENT	CLEO ENERGY CORP.
DOCUMENT	<b>RECEIVER'S CERTIFICATE</b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<p>MILLER THOMSON LLP Barristers and Solicitors 525-8<sup>th</sup> Avenue SW, 43<sup>rd</sup> Floor Calgary, AB, Canada T2P 1G1</p> <p>Attention: James W. Reid / Pavin Takhar Telephone: 403-298-2418 / 403-298-2432 Email: <a href="mailto:jwreid@millerthomson.com">jwreid@millerthomson.com</a>/ <a href="mailto:ptakhar@millerthomson.com">ptakhar@millerthomson.com</a> File No. 0289127.0002</p>

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice Burns of the Court of King's Bench of Alberta (the "Court") dated June 2, 2025 and effective June 3, 2025, Alvarez & Marsal Canada Inc. was appointed as receiver and manager (the "Receiver") over the assets, undertaking and property of CLEO Energy Corp. (the "Company").
- B. Pursuant to an Order of the Court granted on November 14, 2025, the Court granted a Transaction Approval and Reverse Vesting Order (the "RVO") approving the transactions contemplated by a Share Purchase Agreement dated October 6, 2025 (the "SPA") between the Receiver and 2698902 Alberta Corp. (the "Purchaser"), and ordered that *inter alia*: (i) all of the Company's right, title and interest to the Excluded Assets and Excluded Contracts shall be transferred and vest absolutely and exclusively in ResidualCo; and (ii) all Excluded Liabilities shall be transferred to, assumed by and vest in ResidualCo, in each case, effective upon the delivery by the Receiver to the Purchaser

of authorizing the Receiver to take such steps and actions on behalf of the Company as necessary or desirable to complete the Transaction pursuant to this Order.

21. No action lies against the Receiver by reason of this Order or the performance of any act authorized by this Order, except with leave of the Court following an action brought on not less than ten (10) days' notice to the Receiver and its legal counsel.

22. The Receiver is directed to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof to the Purchaser.

#### **MISCELLANEOUS MATTERS**

23. 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 BIA, in respect of the Company, and any bankruptcy or receivership order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Company or ResidualCo; and
- (d) the provisions of any federal or provincial statute:

the execution of the SPA and the implementation of the Transaction shall be binding on any trustee or other administrator in respect of the Company or ResidualCo and any trustee in bankruptcy or receiver that may be appointed in respect of the Company or ResidualCo and shall not be void or voidable by creditors of the Company or ResidualCo 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 or at common law, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

24. The Receiver, the Purchaser 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 the SPA and this Order and to assist and aid the parties in closing the Transaction.

- 10 -

25. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the SPA and all amendments thereto, including any dispute arising from the same.

26. 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.

27. 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: <https://www.alvarezandmarsal.com/CLEO> and service on any other person is hereby dispensed with.

28. 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 King's Bench of Alberta

- 12 -

of a certificate confirming that all conditions to closing have been satisfied or waived by the parties to the SPA.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in SPA.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Shares and all other amounts payable on the Closing Date pursuant to the SPA;
2. The conditions to Closing as set out in the SPA have been satisfied or waived by the Receiver and/or the Purchaser, as the case may be; and
3. The Transaction contemplated by the SPA has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 2025.

**COMPANY NAME**

**Alvarez & Marsal Canada Inc.**, in its capacity as receiver and manager of CLEO Energy Corp. and not in its personal or corporate capacity.

Per:

Name:

Title:

- 13 -

## Schedule "B"

Registration Number	Registration Date	Debtor	Secured Party
18061928493	2018-Jun-19	CLEO ENERGY CORP.; LEWIS, CHRISTOPHER, JOHN MCRAE	ARUNDEL CAPITAL CORPORATION
18121433032	2018-Dec-14	CLEO ENERGY CORP.	HARVEST OPERATIONS CORP.
23030718044	2023-Mar-07	CLEO ENERGY CORP.	HARVEST OPERATIONS CORP.
23050907741	2023-May-09	CLEO ENERGY CORP.	ARUNDEL CAPITAL CORPORATION
23062929662	2023-Jun-29	CLEO ENERGY CORP.; LEWIS, CHRISTOPHER	1992169 ALBERTA LTD.; OXYGEN WORKING CAPITAL CORP.
23080419988	2023-Aug-04	CLEO ENERGY CORP.	BALLARD, STEPHEN
23081025798	2023-Aug-10	CLEO ENERGY CORP.; LEWIS, CHRISTOPHER, JOHN; LEWIS, CHRISTOPHER, MCRAE; RISE ENERGY SPV LTD.	2416924 ALBERTA LTD.
24120616078	2024-Dec-06	CLEO ENERGY CORP.	SIMONELLI, MARCO
24120616149	2024-Dec-06	CLEO ENERGY CORP.	MARSHAL RAE HOLDINGS
24120616201	2024-Dec-06	CLEO ENERGY CORP.	MANTL CANADA INC.
25060510624	2025-Jun-05	CLEO ENERGY CORP.	SAVANNA WELL SERVICING INC.; FORT MCKAY-SAVANNA ENERGY SERVICES LIMITED PARTNERSHIP
25062634562	2025-Jun-26	CLEO ENERGY CORP	SUPERIOR PROPANE A DIVISION OF SUPERIOR PLUS LP

- 14 -

Schedule "C"

Registration Number	Registration Date	Debtor	Writ Holder
23102732847	2023-Oct-27	CLEO ENERGY CORP.	SAVANNA WELL SERVICING INC.
24072922827	2024-Jul-29	CLEO ENERGY CORP	MORGANICK BLENDING SERVICES CORP
24082929766	2024-Aug-29	CLEO ENERGY CORP.	STARTEC REFRIGERATION SERVICES LTD.
24103032735	2024-Oct-30	CLEO ENERGY CORP.	VERTEX PROFESSIONAL SERVICES LTD.
25011623746	2025-Jan-16	CLEO ENERGY CORP.	NEWCART CONTRACTING (1993) LTD.
25052826917	2025-May-28	CLEO ENERGY CORP	PREPD INC