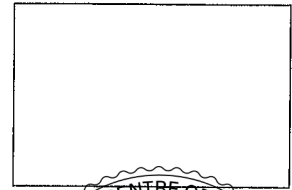


Clerk's Stamp:

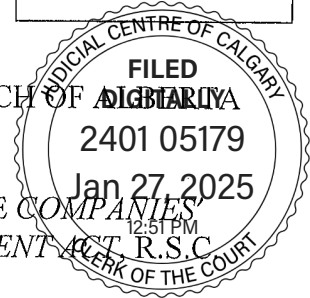


COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE OF

2401-05179

COURT OF KING'S BENCH OF ALBERTA  
CALGARY

IN THE MATTER OF THE COMPANIES  
CREDITORS ARRANGEMENT ACT, R.S.C.  
1985, c. C-36, as amended



AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
ALPHABOW ENERGY LTD.

DOCUMENT

**AFFIDAVIT**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT:

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Keely Cameron / Kaamil Khalfan /  
Sophie Fiddes  
Telephone No.: 403-298-3324  
Fax No.: 403-265-7219  
Client File No.: 88323.6

**EIGHTH AFFIDAVIT OF BEN LI**

**Sworn on January 27, 2025**

I, Ben Li, of Calgary, Alberta, SWEAR AND SAY THAT:

- I am the President and Chief Executive Officer of AlphaBow Energy Ltd. ("**AlphaBow**" or the "**Applicant**"). As such, I have personal knowledge of the matters deposed to in this Affidavit except where stated as based on information and belief, in which case I verily believe the statements to be true.

2. This Affidavit (the "**Eighth Li Affidavit**") should be read in conjunction with the prior Affidavits which I have sworn in this matter, including the Affidavit sworn by me on April 15, 2024 (the "**First Li Affidavit**"), the Supplemental Affidavit sworn by me on April 24, 2024 (the "**Supplemental Li Affidavit**"), the Affidavit sworn by me on July 15, 2024 (the "**Second Li Affidavit**"), the Affidavit sworn by me on August 15, 2024 (the "**Third Li Affidavit**"), the Affidavit sworn by me on September 9, 2024 (the "**Fourth Li Affidavit**"), the Affidavit sworn by me on October 21, 2024 (the "**Fifth Li Affidavit**"), the Affidavit sworn by me on November 12, 2024 (the "**Sixth Li Affidavit**"), the Affidavit sworn by me on November 18, 2024 (the "**Supplement to Sixth Li Affidavit**"), and the Affidavit sworn by me on December 9, 2024 (the "**Seventh Li Affidavit**").
3. Terms not otherwise defined herein, shall bear the meaning ascribed in the Seventh Li Affidavit.

#### **I. RELIEF SOUGHT**

4. This Affidavit is sworn in support of an application by AlphaBow scheduled for February 4, 2025, for relief under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, (the "**CCAA**"), and specifically an order declaring service of its Application and supporting materials good and sufficient; an extension of the stay of proceedings initially imposed by the Amended and Restated Initial Order (the "**ARIO**") to May 9, 2025 (the "**Stay Extension**"); and a declaration that Kikino Metis Settlement ("**Kikino**") is stayed from advancing its claim and application made against AlphaBow pursuant to section 121 of the *Metis Settlements Act*, RSA 2000, c M-14, at the Metis Settlements Appeal Tribunal and the Metis Settlements Appeal Tribunal is stayed from considering Kikino's application in respect of AlphaBow leases.

#### **II. BACKGROUND**

5. AlphaBow is an Alberta headquartered oil and gas company. At the commencement of these proceedings, AlphaBow held licenses for 3,785 wells, 4,038 pipelines, and 321 facilities across Alberta (the "**Licensed Assets**"). The Licensed Assets have Alberta Energy Regulator ("**AER**") deemed environmental liabilities of approximately \$228,572,914.

6. Following various actions by the AER, including an order requiring the posting of \$15,374,050 in security (the "**Requested Security Deposit**") and ordering the suspension of AlphaBow's operations when it was unable to comply, AlphaBow commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal pursuant to section 50.4 of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*, (the "**NOI**") with KSV Restructuring Inc. appointed as Monitor.
7. On April 26, 2024, this Honourable Court granted an Initial Order and ARIIO, in addition to approving the Sale and Investment Solicitation Process ("**SISP**") and approval of the sale of certain non-operated working interests to Cascade Capture Ltd.
8. AlphaBow does not have any credit facilities with a secured lender but as at the end of 2023, had approximately \$88 million in liabilities (excluding environmental liabilities) consisting primarily of trade payables, municipal tax and surface lease payment arrears as well as amounts owing to the AER, including the Requested Security Deposit.
9. AlphaBow's oil and gas assets have been under the care and custody of the Orphan Well Association ("**OWA**") since September 2023, pursuant to the direction of the AER.

### **III. CURRENT STATUS OF ALPHABOW'S RESTRUCTURING EFFORTS**

10. AlphaBow has continued to engage with its stakeholders to facilitate the objectives of these proceedings. This has included responding to general inquiries and other stakeholder requests, such as providing road access.
11. Most significantly, AlphaBow advanced the Court approved sales process and received approval of transactions, resulting from the Court approved sales process, which if all of the transactions close and the license transfer applications are approved, will result in all of AlphaBow's environmental obligations being assumed.
  - a. **Update on the Transactions**
12. Since the Seventh Li Affidavit, AlphaBow has worked diligently to advance the transactions that were approved by Justice Jeffrey at the application on December 19, 2024 (the "**December Application**") to closure.

13. As part of advancing the North 40 Transaction, the parties became aware that Schedule “F” to the SAVO was missing certain registrations, as a result, the parties sought and obtained an amended and restated SAVO from Justice Jeffrey which was filed on January 21, 2025 and provides for additions to the Crown Disposition table, inclusion of the PLA pertaining to 27 17 W4M:NW17 and SW20 in Table 4 (Special Areas Surface Dispositions, and certain additions to Table 5, Alberta Land Titles Registrations.
14. AlphaBow has closed the following transactions approved at the December Application:
  - (a) Pointbreak Transaction wherein, Pointbreak assumed AlphaBow's interests in interests in two parcels of land and their associated rights;
  - (b) North 40 Transaction, wherein North 40 assumed AlphaBow's interests in approximately 108 wells and facilities with associated pipelines, including approximately 25 non-operated wells.
  - (c) Warwick Transaction, wherein Warwick assumed AlphaBow's interests in TWP 53 RGE 14 W4M SEC 5 and 9 mineral files, and their associated royalties, 8 wells and 9 pipelines and associated licenses; and
  - (d) Two Signalta Transactions, wherein Signalta assumed AlphaBow’s interests in 5 parcels of land and their associated royalties; 3 wells; and 1 pipeline, including associated licenses. One of the Signalta Transactions provides for the ability to unwind the transaction in certain circumstances, as such, the proceeds are currently held in trust.
15. AlphaBow is working diligently to close the other transactions and anticipates that the transaction with Rockeast will close this month. The transaction with Rockeast will assume AlphaBow's interests in approximately 187 licensed wells and facilities.
16. The transaction with Bench Creek Resources, Inc. did not materialize but AlphaBow is in the process of seeking a replacement transaction that would assume a similar amount of assets and liabilities. AlphaBow anticipates being in a position to seek court approval of the replacement transaction in February.

**b. Consultation with Landowners**

17. In light of the progress of the transactions approved at the December Application, I am advised by AlphaBow's counsel, Ms. Keely Cameron, that AlphaBow's counsel has fielded calls from several landowners seeking updates on their surface lease payments and have provided such updates.

**IV. RCAM COSTS**

18. At the December Application, the AER and OWA sought the holdback and payment of \$3 million from the sales proceeds resulting from the closure of the Transactions approved at the December Application for the payment of pre and post filing amounts owing to the OWA as a result of the provision of reasonable care and measures in respect of AlphaBow's AER licensed assets. The Municipalities raised concerns with the payment of pre-filing amounts and Justice Jeffrey directed the parties to returned to court in January.
19. The Municipalities, AER and OWA reached a resolution in advance of the application and on January 8, 2025, Justice Marion granted an order reducing the amount of the holdback to \$1.9 million.
20. In accordance with Justice Marion's order, AlphaBow has provided funds to the Monitor. The Monitor is holding \$1.9 million from proceeds resulting from various AlphaBow transactions. I understand that amounts will be released once the correct quantum of the claim is determined.

**V. THE STAY EXTENSION**

21. During the CCAA Proceedings, AlphaBow has been working diligently and in good faith with the Monitor and the Sales Advisor. As noted above, AlphaBow has taken a number of steps to advance and close the transactions arriving out of the Court approved sale process, explored a further sale to reduce the amount of liabilities being assumed through the Corporate Transaction, and engaged in discussions with numerous stakeholders.
22. In addition to the activities noted above, AlphaBow has also continued to assist the Monitor with the review of claims under the claims process.

23. AlphaBow requires an extension of the Stay Period to be able to complete the CCAA Process.
24. Without the benefit of an ongoing stay of proceedings, there could be an immediate and significant erosion of value to the transactions to the detriment of all stakeholders.
25. In my view, the requested extension is appropriate and will not materially prejudice any of AlphaBow's creditors.

## **VI. CASH FLOW FORECAST**

26. AlphaBow worked with the Monitor to prepare an updated cash flow forecast, a copy of which will be attached to the Seventh Report of the Monitor. AlphaBow projects that it will have sufficient cash to continue these proceedings through to the end of the Stay Extension and pay outstanding post filing obligations.

## **VII. THE KIKINO APPEAL**

27. On January 16, 2025, AlphaBow received a letter from the Metis Settlements Appeal Tribunal (the "**Appeal Tribunal**") indicating that it would re-convene a hearing at the Appeal Tribunal to consider the recovery for Kikino of 112 surface leases with AlphaBow (the "**Kikino Appeal**"). A copy of the Appeal Tribunal's letter is attached hereto as **Exhibit "1"**.
28. The Appeal Tribunal attached and referred to a letter dated December 12, 2024 from Kikino's counsel to the Appeal Tribunal, Meaghan M. Conroy of MLT Aikins LLP. In this letter, Ms. Conroy states, in part, that at least 28 orders were issued by the Land and Property Rights Tribunal ("**LRPT**") against AlphaBow after the Stay. Ms. Conroy's letter is attached hereto as **Exhibit "2"**.
29. AlphaBow is unaware of the LRPT proceedings (and by extension, the orders) against AlphaBow. To the best of my knowledge, AlphaBow (and AlphaBow's counsel) did not receive any notice about the LRPT proceedings. Had AlphaBow (or AlphaBow's counsel) received notice, AlphaBow would have provided a similar letter as it provided to the Appeal Tribunal setting out that such proceedings constitute a breach of the Stay.

- 30. Following Kikino’s request for the commencement of a hearing of the Kikino Appeal, on January 20, 2025, AlphaBow advised the Appeal Tribunal, through its counsel, that Kikino’s continued advancement of its claim to obtain recover under the *Metis Settlement Act*, constituted a breach of the Stay (as defined in the ARIO). A copy of AlphaBow's counsel's letter is attached hereto as **Exhibit "3"**.
- 31. On January 23, 2025, AlphaBow received a letter from the Appeal Tribunal indicating that it would, notwithstanding the Stay, convene to consider the issue raised in the Kikino Appeal. A copy of the Appeal Tribunal letter dated January 23, 2025 is attached hereto as **Exhibit "4"**.
- 32. I am advised by AlphaBow's counsel, Ms. Cameron, that Kikino is on the service list and submitted a proof of claim pursuant to the claims process order granted by the Court on September 20, 2024 (the "**Claims Process Order**"), claiming payment for surface rent.

**VIII. CONCLUSION**

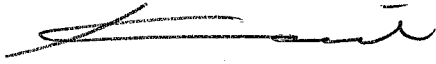
33. I swear this Affidavit in support of the relief sought in paragraph 4 and for no other or improper purpose.

SWORN BEFORE ME )  
 at the City of Calgary, Alberta, this )  
 27<sup>th</sup> day of January, 2025. )  
 \_\_\_\_\_ )  
 A Commissioner for Oaths in and for the )  
 Province of Alberta )  
 )

\_\_\_\_\_ )  
 BEN LI )  
 )

**Kaamil Khalfan**  
**Barrister & Solicitor**

This is **Exhibit "1"** referred to in the Affidavit of Ben Li sworn before me this 27<sup>th</sup> day of January, 2025



---

A Commissioner for Oaths in and for Alberta

**Kaamil Khalfan**  
**Barrister & Solicitor**





**METIS SETTLEMENTS APPEAL TRIBUNAL**

January 16, 2025

File: 01-0006-20 to 01-0117-20

VIA EMAIL

To: **Please See Distribution List**

To Whom it May Concern:

**RE: KIKINO METIS SETTLEMENT VS ALPHABOW ENERGY INC  
HEARING RECOMMENCEMENT**

On July 5, 2024, the Panel adjourned the hearing between Kikino Metis Settlement and AlphaBow Energy Inc. due to the Court of King's Bench ("the Court") issuing an Amended and Restated CCAA Order dated April 26, 2024 which enforced a Stay of Proceedings until July 31, 2024.

The hearing was rescheduled for August 9, 2024, however, the Court issued an Amended Order extending the Stay Period until August 30, 2024. The Stay of Proceedings has been extended several times by the Court and the current Stay Period in effect is until February 14, 2025.

On December 12, 2024, the Appeal Tribunal received a request to recommence the hearing from Kikino Metis Settlements' legal counsel, MLT Aikens (attached). The Panel has reviewed the request and approves with recommencing the hearing. Please contact Jenelle Durocher at [Jenelle.durocher@gov.ab.ca](mailto:Jenelle.durocher@gov.ab.ca) to confirm your availability for the first week in February 2025.

If you have any questions, please feel free to contact Billie-Jo (BJ) Simpson, Tribunal Secretary, via email at [bj.simpson@gov.ab.ca](mailto:bj.simpson@gov.ab.ca) or by calling 1-800-661-8864.

Sincerely,

Donna Lakey  
Panel Chair

Attachment: MLT Aikens Request Letter dated December 12, 2024

## Distribution List

<p><b>Kikino Metis Settlement</b>          General Delivery          Kikino, Alberta T0A 2B0  <b>Attention: Settlement Council</b>  <b>Email:</b> <a href="mailto:rogerlittlechilds@mcsnet.ca">rogerlittlechilds@mcsnet.ca</a></p>	<p><b>Alpha Bow Energy Inc.</b>          #300, 708 – 11<sup>th</sup> Avenue SE          Calgary, Alberta          T2P 4K7  <b>Attn: Ben Li, CEO AlphaBow Energy Ltd</b>  <b>Email:</b> <a href="mailto:benli@alphabowenergy.com">benli@alphabowenergy.com</a></p>
<p><b>MLT Aikens LLP</b>          Suite 2200, 10235 – 101 Street          Edmonton, Alberta T5J 3G1  <b>Attn: Jessica Buhler</b> (Legal Counsel for          Kikino Metis Settlement)  <b>Email:</b> <a href="mailto:jbuhler@mltaikens.com">jbuhler@mltaikens.com</a></p>	<p><b>Bennett Jones</b>          4500 Bankers Hall East          855 – 2<sup>nd</sup> Street SW          Calgary, AB T2P 4K7  <b>Attn: Keely Cameron</b> (Legal Counsel for          AlphaBow Energy Inc.)  <b>Email:</b> <a href="mailto:cameronk@bennettjones.com">cameronk@bennettjones.com</a></p>
<p><b>KSV Restructuring Inc.</b>          Suite 1165, 324 – 8<sup>th</sup> Avenue SW          Calgary, AB T2P 2Z2  <b>Attention: Andrew Basi, CCAA Monitor</b>  <b>Email:</b> <a href="mailto:abasi@ksvadvisory.com">abasi@ksvadvisory.com</a></p>	

Cc: Occupants asked to be copied on MSAT Correspondence

<b>Kikino Settlement Member</b>	<b>MSAT File Number</b>
Rachael Belcourt	01-0022-20 and 01-0113-20
Belva Cardinal	01-0052-20, 01-0108-20, 01-0113-20
Wayne C. Cardinal	01-0016-20, 01-0017-20, 01-0044-20, 01-0052-20, 01-0091-20,
Sandra Cardinal	01-0052-20
Floyd Thompson	01-0096-20
Phillip Collins	01-0031-20, 01-0032-20, 01-0112-20
Robert Pruden	01-0008-20

This is **Exhibit "2"** referred to in the Affidavit of Ben Li sworn before me this 27<sup>th</sup> day of January, 2025



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A Commissioner for Oaths in and for Alberta

**Kaamil Khalfan**  
**Barrister & Solicitor**

# MLT AIKINS

WESTERN CANADA'S LAW FIRM

MLT Aikins LLP  
2200 - 10235 - 101st Street  
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T: (780) 969-3500  
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**Meaghan M. Conroy**  
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Stacey Bigelow  
Legal Assistant  
Direct Line: (780) 969-5077  
E-mail: sbigelow@mltaikins.com

December 12, 2024

VIA EMAIL: [BJ.Simpson@gov.ab.ca](mailto:BJ.Simpson@gov.ab.ca)

Metis Settlements Appeal Tribunal  
9<sup>th</sup> Floor, Forestry Building  
9920 – 108 Street  
Edmonton, AB T5J 2M4

Attention: Billie-Jo (BJ) Simpson, Dispute Resolution Officer

Dear Ms. Simpson:

**Re: Kikino Metis Settlement – s.121 MSAT Application, AlphaBow Energy**  
**MLT Aikins File No: 0057623-00016**

We write on behalf of our client, Kikino Metis Settlement (“Kikino”) in the above noted application made pursuant to s.121 of the *Metis Settlements Act*, RSA 2000, c M-14 (“**Section 121 Application**” or “**Application**”)

Based on the submissions below, Kikino respectfully requests the Appeal Panel reconvene the hearing for the Section 121 Application.

In addition, Kikino seeks to amend the scope of its Section 121 Application to include:

- a. Unpaid surface compensation for the year 2024; and
- b. Costs.

## I. SECTION 121 APPLICATION HEARING

### Background

On July 5, 2024, the Appeal Panel adjourned the hearing on the Section 121 Application on the basis of a Court Order rendered in proceedings under the *Company Creditors Arrangement Act*, R.S.C. 1985, C. C-36 (“**CCAA**”) with respect to AlphaBow Energy Ltd. (“**AlphaBow**”). This Court Order, dated April 26, 2024, titled “Amended and Restated CCAA Initial Order” imposed a stay of certain proceedings against AlphaBow or its property (“**Stay of Proceedings**”). The Stay of Proceedings has been extended several times and, as of the date of this letter, is still in force. Our understanding is that this adjournment was imposed following submissions of Kikino’s previous legal counsel on the Application.

After researching this issue further, and in light of recent decisions from the Land and Property Rights Tribunal (“**LPR**T”), Kikino submits that the Application ought to proceed regardless of the Stay of Proceedings.

MLT AIKINS LLP | MLT AIKINS.COM

## Basis for Reconvening the hearing for the Section 121 Application

Section 121 of the *Metis Settlements Act* ("MSA") creates a statutory option for relief when operators fail to pay surface rent. On receipt of evidence of the failure to pay, the Land Access Panel may direct the President of the Treasury Board and Minister of Finance (the "Province") to pay compensation owing under a surface lease ("Direction to Pay").<sup>1</sup>

Section 121(3) of the MSA states that where the Province makes such a payment, it constitutes a debt owed by the operator to the Crown in Right of Alberta. Section 121(3) lays the groundwork for the Province to enforce the debt against the operator. The Metis Settlements Appeal Tribunal ("MSAT") has no involvement in the Crown's enforcement of the debt.

MSAT has issued Directions to Pay where the operator was insolvent<sup>2</sup>. But to the best of our knowledge, MSAT has never had the opportunity to squarely address the impact of a stay of proceedings arising from an insolvency, restructuring or receivership proceeding on an application under s.121 in a written decision.

The LPRT has however directly addressed this issue in the context of the *Surface Rights Act*, RSA 2000, c S-24. Until recently, applications under the *Surface Rights Act* for payment of surface rent by the Province were stayed pending insolvency, restructuring or receivership proceedings.<sup>3</sup> Notably, this practice and the interpretation of the law with respect to unpaid surface compensation, has recently changed.

Since 2023, the LPRT has consistently held that applications for Directions to Pay ought to proceed regardless of a stay of proceedings arising from an operator's insolvency, restructuring or receivership proceedings. In fact, to date the LPRT has issued at least 50 Orders directing the Province to pay landowners overdue surface compensation arising from AlphaBow leases. Notably, at least 28 Orders were issued by the LPRT against AlphaBow after the Stay of Proceedings was issued.<sup>4</sup>

Consistent with the approach under the *Surface Rights Act*, MSAT ought to allow this Section 121 Application to proceed to a hearing regardless of the Stay of Proceedings.<sup>5</sup>

### *Surface Rights Act*, s.36 & *Metis Settlements Act*, s.121

The *Surface Rights Act* governs surface access and compensation for fee simple lands off-Settlement. While there are some differences, the legislative scheme under the MSA, Part 4, Division 7, "access to patented land" in many respects was modeled after scheme in the *Surface Rights Act*.<sup>6</sup>

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<sup>1</sup> *Metis Settlements Act*, RSA 2000, c M-14, s 121(2) [MSA].

<sup>2</sup> See for example, *Robert Ghostkeeper v. Sunstar Resources Inc. and Calver Resources Inc.*, 2019 MSAT 380 at para 12 and 16; *Philip Ghostkeeper v. Sunstar Resources Inc. and Calver Resources Inc.*, 2023 MSAT 471; *James Ghostkeeper v. Sunstar Resources Inc. and Calver Resources Inc.*, 2023 MSAT 470.

<sup>3</sup> *Zarqon Oil & Gas Ltd v Brewin*, 2023 ABLPRT 2 at para 27 [*Brewin*];

<sup>4</sup> See Appendix A, attached.

<sup>5</sup> *Fishing Lake Metis Settlement v. Metis Settlements Appeal Tribunal Land Access Panel*, 2003 ABCA 143 at para 36 [*Fishing Lake*].

<sup>6</sup> *Ibid.* at para 6-7, 31-32, and 36.

While there are some important differences between the *Surface Rights Act* and the *Metis Settlements Act*, Part 4 Division 7 (such as the factors to determine compensation, s.118), those differences are not relevant to the issue being considered here.

One point of similarity between the two statutes is the ability to collect surface compensation from the Province when the operator can't or won't pay. Section 121 of the *MSA* governs this collection process with respect to surface leases on Settlement Land. Section 36 of the *Surface Rights Act* governs this collection process off-Settlement.

The power to issue a Direction to Pay under s.36 of the *Surface rights Act* provides, in part:

**36(3)** Where any money payable by an operator under a compensation order or surface lease has not been paid and the due date for its payment has passed, the person entitled to receive the money may submit to the Tribunal written evidence of the non-payment.

(4) On receiving the evidence, if the Tribunal considers that it satisfactorily proves the non-payment, the Tribunal shall send a written notice to the operator demanding full payment.

...

**(6) If, within 30 days of the Tribunal sending a written notice to an operator under subsection (4), the operator has not proven to the Tribunal's satisfaction that full payment has been made, the Tribunal may direct the Minister to pay out of the General Revenue Fund the amount of money to which the person referred to in subsection (3) is entitled.**

(7) If the Minister has made a payment under subsection (6) and the person who received the payment provides evidence of a subsequent non-payment of compensation by the operator in relation to the same site, the Tribunal may direct the Minister to make any further payments due to the person, without any further application of subsection (4), until the transfer or reclamation of the site is complete. [Emphasis added]

Separate from the Direction to Pay, is the enforcement of the debt owing by the operator. As noted above, the *MSA*, s.121(3) states that when a Direction to Pay is issued, the amount paid by the Province becomes a debt owing to the Province by the operator.<sup>7</sup> Likewise, the *Surface Rights Act* states that when the Province has paid surface compensation pursuant to a Direction to Pay, the amount paid and any expenses incurred in collecting the money owing, constitute a debt owing by the operator to the Province.<sup>8</sup>

The purpose of s.36 of the *Surface Rights Act* has been considered by the courts. The Alberta Court of King's Bench in *Devon Canada Corp. v. Surface Rights Board*, 2003 ABQB 7, at paragraph 29 explained:

...the function of section 36(5) and 36(6) [Direction to Pay provisions] appears to me to provide the surface owner with some assurance that if they cooperate with providing the oil industry access to their lands, they need not fear the operator will not pay them.

---

<sup>7</sup> *MSA* 121(3): If the President of Treasury Board and Minister of Finance pays money to a person under this section, the amount paid constitutes a debt owing by the existing mineral lease holder or the operator to the Crown in right of Alberta.

<sup>8</sup> *Surface Rights Act*, s. 36(9) Where the Minister pays money under subsection (6) or (7),

- (a) the amount paid and any expenses incurred, whether by the Crown or by a private agency, in collecting or attempting to collect the money owing, constitute a debt owing by the operator to the Crown, and
- (b) a written certificate issued by or on behalf of the Minister certifying the payment of the amounts referred to in clause (a), including expenses, may be entered as a judgment of the Court of King's Bench for those amounts and enforced according to the ordinary procedure for enforcement of a judgment of that Court.

Likewise, in *Provident Energy Ltd. v. Alberta (Surface Rights Board)*, 2004 ABQB 650 at paragraph 27, the Court emphasized the same point:

In my opinion, the purpose of Section 36 of the Act is obvious. It is to provide a mechanism by which the surface owner is guaranteed payment of the compensation to which he is entitled ... .

More recently, the Court of Appeal explained:

The *Surface Rights Act* is remedial legislation enacted for the specific purpose of providing for the orderly exercise of rights of landowners and operators and providing landowners with compensation where no such right existed at common law, and where the landowner cannot refuse entry ... . The *Surface Rights Act* must be given the fair, large and liberal interpretation that best ensures the attainment of its objects: *Interpretation Act*, RSA 2000, c I-8, s 10.<sup>9</sup>

Kikino submits that the purpose of s.121 in the MSA is identical to purpose of s.36 of the *Surface Rights Act* as articulated by the Courts above.

Informed by the purpose of the section 36 of the *Surface Rights Act* – to keep the landowner whole - and certain amendments to the *Surface Rights Act* that are irrelevant for our purposes, the LPRT has in numerous cases held that a stay of proceedings arising from an insolvency, restructuring or receivership proceeding does not preclude it from ordering a Direction to Pay.<sup>10</sup> As explained by the LPRT; “[t]o conclude otherwise would effectively thwart the legislative scheme created by section 36, whose entire purpose is to ensure that landowners are paid when operators do not. The issuance of the Direction to Pay is a fundamental step in landowners being able to access the relief envisioned by section 36.”<sup>11</sup>

A stay of proceedings (whether set out in a court order or based on insolvency or restructuring legislation) might prevent the Province from enforcing the debt against an operator under s.36(9) of the *Surface Rights Act*, but a Stay of Proceedings does not prevent the LPRT from issuing a Direction to Pay.<sup>12</sup>

#### *Applicability of LPRT Analysis to Section 121 Application*

Kikino respectfully submits that MSAT ought to follow the approach of the LPRT with respect to the Section 121 Application.

The Court of Appeal has confirmed that Part 4, Division 7 of the MSA is, in many respects, “essentially the same” as the *Surface Rights Act*.<sup>13</sup> Under the common law, landowners cannot refuse entry to those who hold rights to subsurface minerals.<sup>14</sup> MSAT has concluded that this common law applies on Settlement lands.<sup>15</sup> The purpose of both legislative schemes is to ensure that those with interests in lands affected by

<sup>9</sup> *Sabo v AltaLink Management Ltd.*, 2024 ABCA 179, at para 24.

<sup>10</sup> See for example; *Zarqon Oil & Gas Ltd. v Smith*, 2023 ABLPRT 131 at para 42-43 [*Smith*]; *Pasheka v Sequoia Resources Corp.*, 2024 ABLPRT 385 at paras 19-26 [*Pasheka*]; *Brewin*, at paras 22-33.

<sup>11</sup> *Smith*, 2023 ABLPRT 131 at para 43

<sup>12</sup> *Smith*, at para 44-45; *Brewin*, at para. 25 and 31.

<sup>13</sup> *Fishing Lake* at para 37.

<sup>14</sup> *Sabo v AltaLink Management Ltd.*, 2024 ABCA 179, at para 24

<sup>15</sup> *Kikino Metis Settlement v. Husky Oil Operations*, MSAT Order No. 251, at 4, which describes that ELLAP issued Right of Entry Orders to Husky despite Kikino's objection.

oil and gas extraction have a right to compensation and are guaranteed payment of that compensation when the operator defaults.<sup>16</sup>

In interpreting Part 4, Division 7 of the MSA concerning surface access, the Court of Appeal noted that decision-makers should consider consistency between this part of the MSA and the *Surface Rights Act*.<sup>17</sup> The Court quoted the following with approval from *Driedger On The Construction of Statutes*:<sup>18</sup>

Statutes enacted by a legislature that deal with the same subject are presumed to be drafted with one another in mind, so as to offer a coherent and consistent treatment of the subject. ...

...

In effect, the several statutes are construed together as if they constituted a single Act and the presumptions of coherence and consistent expression apply to these statutes as if they were part of a single Act.

**Acts constitute a single scheme.** Where two or more statutes are enacted by a legislature on the same subject, they are presumed to operate together to create a single regulatory regime. In such cases, the provisions of each statute must be read in the context of the others and consideration must be given to their role in the overall scheme. ...

The overriding purpose of s.121 of the MSA is identical to s.36 of the *Surface Rights Act*: to provide a mechanism by which the surface owner/occupant is guaranteed payment when the operator doesn't pay.<sup>19</sup> In light of the purpose and the direction from the Court of Appeal that the interpretation of the surface compensation provisions in the MSA should be consistent with interpretations under the *Surface Rights Act*, Kikino submits following principles apply to the Section 121 Application:

1. Issuing a Direction to Pay under s.121 of the MSA does not contravene the Stay of Proceedings.<sup>20</sup> An application under s. 121 of the MSA is not a lawsuit and it does not change the underlying contractual obligations between the parties. If the statutory pre-requisites are met, then MSAT has the power to issue a Direction to Pay.<sup>21</sup> Further, a Stay of Proceedings would not preclude the Province from making a payment to Kikino pursuant to the Direction to Pay.<sup>22</sup>
2. The reason for the operator's failure to pay is irrelevant. Where an operator is insolvent, the operator or receiver may choose to ignore the demand, but it does not affect the ability of MSAT to make issue a Direction to Pay<sup>23</sup>

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<sup>16</sup> *Fishing Lake* at para 6.

<sup>17</sup> *Ibid* at para 36.

<sup>18</sup> *Ibid.*, quoting from Sullivan, R. in *Driedger On The Construction of Statutes*, 3d ed. (Vancouver: Butterworths, 1994) at 285.

<sup>19</sup> *Provident Energy Ltd. v. Alberta (Surface Rights Board)*, 2004 ABQB 650 at para 27.

<sup>20</sup> *Pasheka v Sequoia Resources Corp.*, 2024 ABLPRT 385 at para. 26.

<sup>21</sup> *Berwin* at paras 25 - 28.

<sup>22</sup> *Zargon Oil & Gas Ltd. v Smith*, 2023 ABLPRT 134 at para 43 [*Zargon Oil*].

<sup>23</sup> *Berwin* at para 25 – 28.



3. The purpose of s.121 of the MSA is the same as the purpose of s. 36 of the *Surface Rights Act*: to ensure that the Settlement and occupants are paid when operators do not.<sup>24</sup> To suggest that a stay would preclude the issuance of a Direction to Pay or prevent the Province from making the Settlement and occupants whole would undermine the fundamental objectives of s.121 of the MSA.<sup>25</sup>
4. The effect of the Stay of Proceedings relates to the *enforcement* of the debt. The Stay of Proceedings might bar the Province from collecting from the operator under s.121(3). But the enforcement of the debt following the Direction to Pay is the business of the Province, not MSAT.<sup>26</sup>

Accordingly, Kikino asks MSAT to set down the Section 121 Application for hearing expeditiously.<sup>27</sup> The occupants of the affected parcels and the Settlement has been without compensation from AlphaBow for more than four years. This has placed a significant strain on Kikino's operating budget, and no doubt on the household budgets of the affected Metis Title holders.

As noted, since the Stay of Proceedings has been in place, the LPRT has issued at least 28 orders with Directions to Pay to the Province in relation to AlphaBow sites. There is no reasonable basis to withhold compensation from Settlements and Metis Settlement member occupants who, through no fault of their own, have the misfortune of having a delinquent operator with oil and gas infrastructure on their land.

## II. AMENDMENT OF APPLICATION TO INCLUDE 2024 COMPENSATION AND COSTS

Kikino hereby amends the scope of its Section 121 Application to include the following:

- a. unpaid surface compensation in relation to AlphaBow leases for the year 2024; and
- b. costs.

On October 25, 2024 Kikino sent AlphaBow invoices for surface rent owing for the year 2024. Customarily, operators on Kikino make their annual payments in October or early November. AlphaBow has failed to make any payments toward surface rent for 2024. The total amount owing for surface compensation from AlphaBow for the year 2024 is \$365,557,74. Attached as Appendix B are invoices Kikino sent to AlphaBow for 2024 annual rents.

In addition, Kikino amends its Application to include a claim for costs in an amount to be determined based on its reasonable out of pocket legal and other costs to collect surface compensation from AlphaBow. Pursuant to s. 191(1) and (2) of the MSA, MSAT has broad discretion to order costs.

## III. CONCLUSION

Kikino respectfully request MSAT expeditiously schedule a hearing for the Section 121 Application following requisite notice to other affected parties.

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<sup>24</sup> *Zargon Oil* at para 43.

<sup>25</sup> *Brewin* at para 32.

<sup>26</sup> *Pasheka* at para 25.

<sup>27</sup> *Husky Oil Operations Limited v. Scriber*, 2013 ABQB 74 at Para 11.

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WESTERN CANADA'S LAW FIRM

Kikino also formally amends the Application to include a request for a Direction to Pay for unpaid 2024 annual surface rent, and reasonable out of pocket costs it has incurred to collect AlphaBow's surface rent for 2020, 2021, 2022, 2023 and 2024.

Kikino thanks the Panel for its prompt consideration of these submissions. I invite you to reach out if you have any questions.

Sincerely,

MLT AIKINS LLP

Per:

  
Meaghan M. Conroy

MMC:seb

cc: Joseph Redman, Counsel for MSAT - [joseph@shoresjardine.com](mailto:joseph@shoresjardine.com)

# APPENDIX “A”

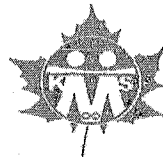
## Appendix “A”

List of LPRT Direction to Pay Orders against AlphaBow Energy Ltd. issued after the Stay of Proceedings (after April 26, 2024)

1. Jans v AlphaBow Energy Ltd., 2024 ABLPRT 901639
2. R & W Cattle Company Ltd. v AlphaBow Energy Ltd., 2024 ABLPRT 901771
3. Hutterian Brethren Church of Wolf Creek v AlphaBow Energy Ltd., 2024 ABLPRT 901945
4. Barnes v AlphaBow Energy Ltd., 2024 ABLPRT 902080
5. Stefanyk v AlphaBow Energy Ltd., 2024 ABLPRT 902663
6. Stefanyk v AlphaBow Energy Ltd., 2024 ABLPRT 902731
7. Stefanyk v AlphaBow Energy Ltd., 2024 ABLPRT 902828
8. Stefanyk v AlphaBow Energy Ltd., 2024 ABLPRT 902837
9. Stefanyk v AlphaBow Energy Ltd., 2024 ABLPRT 903267
10. 768494 Alberta Ltd. v AlphaBow Energy Ltd., 2024 ABLPRT 903329
11. Wills Land & Cattle Co. Ltd. v AlphaBow Energy Ltd., 2024 ABLPRT 903541
12. Kruchten v AlphaBow Energy Ltd et al, 2024 ABLPRT 903512
13. Niedermier v AlphaBow Energy Ltd., 2024 ABLPRT 903594
14. Wills Land & Cattle Co. Ltd. v AlphaBow Energy Ltd., 2024 ABLPRT 903696
15. R&W Cattle Company Ltd v AlphaBow Energy Ltd, 2024 ABLPRT 903757
16. Neu Muehl Hutterian Brethren of Delia. v AlphaBow Energy Ltd., 2024 ABLPRT 903801
17. Doan v AlphaBow Energy Ltd, 2024 ABLPRT 903852
18. Wiart v AlphaBow Energy Ltd, 2024 ABLPRT 903870
19. Sinke Farms Ltd v AlphaBow Energy Ltd., 2024 ABLPRT 425
20. Perugini v AlphaBow Energy Ltd, 2024 ABLPRT 903988
21. Sokalski v AlphaBow Energy Ltd., 2024 ABLPRT 903989
22. Ruth v AlphaBow Energy Ltd., 2024 ABLPRT 904989
23. Van Stryland v AlphaBow Energy Ltd., 2024 ABLPRT 905361
24. Wills Land & Cattle Co. Ltd. v AlphaBow Energy Ltd., 2024 ABLPRT 905512
25. Kingsland Hutterian Brethren v AlphaBow Energy Ltd, 2024 ABLPRT 905552
26. Kingsland Hutterian Brethren v AlphaBow Energy Ltd, 2024 ABLPRT 905593
27. Lawrence v AlphaBow Energy Ltd., 2024 ABLPRT 905650
28. Wold v AlphaBow Energy Ltd., 2024 ABLPRT 905908

# APPENDIX “B”

**Kikino Metis Settlement**  
GENERAL DELIVERY  
KIKINO AB T0A 2B0  
780-623-7868      kiadmin@telus.net



ALPHA BOW ENERGY  
300, 708 - 11TH AVENUE S.W.  
CALGARY AB T2R 0E4

INVOICE #  
INVOICE DATE      October 25, 2024  
PO #  
BALANCE DUE      \$363,557.74

DESCRIPTION	UNIT COST	QUANTITY	AMOUNT
1000.ABOW ALPHA BOW ANN RENT ALPHA BOW SURFACE LEASE ANNUAL RENTALS 2024			363,557.74

131923674RT0001

TERMS: 2% ON OVERDUE ACCOUNTS \ NET 30 DAYS

SUB TOTAL      363,557.74  
GST# Here      0.00  
INVOICE TOTAL      363,557.74  
AMOUNT PAID

**Thank You for your Business!**

begin: 01 Apr 2024

End: 31 Mar 2025

Index: date

Line	Type	Folder	Name	Description	Type:	amount	Normal	Normal Rep	C	U	Active	Ledger
					Tag:	financial	Balance					Indexed
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58	file	/AR/SR/TREN	35689-00	35689-00 ANN WS-15-23-63-14-4		4,240.00	debit	perpetual	2		active	yes
59	file	/AR/SR/TREN	35691-00	35691-00 ANN WS 12-26-63-14-4		2,292.16	debit	perpetual	2		active	yes
60	file	/AR/SR/TREN	35698-00	35698-00 ANN WS 5-6-63-14-4		2,289.89	debit	perpetual	2		active	yes
61	file	/AR/SR/TREN	35699-00	35699-00 ANN WS 4-7-63-14-4		3,744.88	debit	perpetual	2		active	yes
62	file	/AR/SR/TREN	35763-00	35763-00 ANN WS-13-23-62-14-4		3,235.20	debit	perpetual	2		active	yes
63	file	/AR/SR/TREN	35764-00	35764-00 ANN WS 11-27-62-14-4		3,705.59	debit	perpetual	2		active	yes
64	file	/AR/SR/TREN	35765-00	35765-00 ANN WS 4-29-62-14-4		2,406.71	debit	perpetual	2		active	yes
65	file	/AR/SR/TREN	35766-00	35766-00 ANN WS 4-30-62-14-4		2,431.69	debit	perpetual	2		active	yes
66	file	/AR/SR/TREN	35767-00	35767-00 ANN WS 13-32-62-14-4		3,267.38	debit	perpetual	2		active	yes
67	file	/AR/SR/TREN	35774-00	35774-00 ANN WS 4-5-63-14-4		2,200.00	debit	perpetual	2		active	yes
68	file	/AR/SR/TREN	35880-00	35880-00 ANN WS 16-17-63-14-4		3,431.25	debit	perpetual	2		active	yes
69	file	/AR/SR/TREN	36001-01	36001-01 ANN CM 11-36-62-15-4		3,079.43	debit	perpetual	2		active	yes
70	file	/AR/SR/TREN	36001-02	36001-02 ANN AR 11-36-62-15-4		106.13	debit	perpetual	2		active	yes
71	file	/AR/SR/TREN	36573-01	36573-01 ANN VS 1-15-63-14-4		1,100.00	debit	perpetual	2		active	yes
72	file	/AR/SR/TREN	36573-02	36573-02 ANN VS 1-15-63-14-4		228.78	debit	perpetual	2		active	yes
73	file	/AR/SR/TREN	36645-00	36645-00 ANN AR 3-25-63-15-4		2,652.33	debit	perpetual	2		active	yes
74	file	/AR/SR/TREN	36780-00	36780-00 ANN WS 10-22-63-14-4		3,235.88	debit	perpetual	2		active	yes
75	file	/AR/SR/TREN	36788-00	36788-00 ANN WS 13-29-62-14-4		3,304.88	debit	perpetual	2		active	yes
76	file	/AR/SR/TREN	36913-00	36913-00 ANN WS 2-36-62-15-4		3,000.00	debit	perpetual	2		active	yes
77	file	/AR/SR/TREN	36931-00	36931-00 ANN WS 11-8-63-14-4		3,254.00	debit	perpetual	2		active	yes
78	file	/AR/SR/TREN	36932-00	36932-00 ANN WS 12-10-63-14-4		3,241.12	debit	perpetual	2		active	yes
79	file	/AR/SR/TREN	36933-00	36933-00 ANN WS 4-11-63-14-4		3,716.00	debit	perpetual	2		active	yes
80	file	/AR/SR/TREN	36934-00	36934-00 ANN WS 4-21-63-14-4		3,101.25	debit	perpetual	2		active	yes
81	file	/AR/SR/TREN	37632-00	37632-00 ANN WS 1-12-64-15-4		3,320.00	debit	perpetual	2		active	yes
82	file	/AR/SR/TREN	37633-00	37633-00 ANN WS 13-13-64-15-4		3,641.25	debit	perpetual	2		active	yes
83	file	/AR/SR/TREN	38936-00	38936-00 ANN WS 13-18-62-14-4		3,527.16	debit	perpetual	2		active	yes
84	file	/AR/SR/TREN	39022-00	39022-00 ANN AR 5-36-64-15-4		3,548.40	debit	perpetual	2		active	yes
85	file	/AR/SR/TREN	51726-00	51726-00 ANN WS 2-2-63-14-4		3,294.84	debit	perpetual	2		active	yes
86	file	/AR/SR/TREN	51727-00	51727-00 ANN 12-3-63-14-4		3,491.60	debit	perpetual	2		active	yes
87	file	/AR/SR/TREN	51728-00	51728-00 ANN 11-11-63-14-4		3,572.13	debit	perpetual	2		active	yes
88	file	/AR/SR/TREN	51729-00	51729-00 ANN 15-18-63-14-4		3,082.63	debit	perpetual	2		active	yes
89	file	/AR/SR/TREN	51730-00	51730-00 ANN 3-28-63-14-4		3,243.44	debit	perpetual	2		active	yes
90	file	/AR/SR/TREN	51731-00	51731-00 ANN 14-29-63-14-4		3,451.35	debit	perpetual	2		active	yes
91	file	/AR/SR/TREN	51732-00	51732-00 ANN 14-32-63-14-4		3,524.66	debit	perpetual	2		active	yes
92	file	/AR/SR/TREN	51733-00	51733-00 ANN 15-34-63-14-4		3,857.56	debit	perpetual	2		active	yes
93	file	/AR/SR/TREN	52746-00	52746-00 ANN 16-31-62-14-4		3,256.00	debit	perpetual	2		active	yes
94	file	/AR/SR/TREN	52747-00	52747-00 ANN 13-33-62-14-4		3,316.00	debit	perpetual	2		active	yes
95	file	/AR/SR/TREN	52748-00	52748-00 ANN 9-4-63-14-4		3,384.00	debit	perpetual	2		active	yes
96	file	/AR/SR/TREN	52749-00	52749-00 ANN 7-16-63-14-4		3,033.75	debit	perpetual	2		active	yes
97	file	/AR/SR/TREN	52750-00	52750-00 ANN 9-17-63-14-4		3,041.25	debit	perpetual	2		active	yes
98	file	/AR/SR/TREN	67421-00	67421-00 ANN 9-2-63-14-4		3,432.55	debit	perpetual	2		active	yes
99	file	/AR/SR/TREN	67422-00	67422-00 ANN 2-3-63-14-4		3,299.60	debit	perpetual	2		active	yes
100	file	/AR/SR/TREN	67529-00	67529-00 ANN 4-34-62-14-4		3,232.40	debit	perpetual	2		active	yes
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102	file	/AR/SR/TREN	67543-00	67543-00 ANN 12-35-63-14-4		3,641.19	debit	perpetual	2		active	yes
103	file	/AR/SR/TREN	67545-00	67545-00 ANN 4-27-63-14-4		3,369.20	debit	perpetual	2		active	yes
104	file	/AR/SR/TREN	67546-00	67546-00 ANN 4-4-63-14-4		3,380.00	debit	perpetual	2		active	yes
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106	file	/AR/SR/TREN	68295-00	68295-00 ANN 11-5-63-14-4		3,530.56	debit	perpetual	2		active	yes
107	file	/AR/SR/TREN	68694-00	68694-00 ANN 11-9-63-14-4		3,412.40	debit	perpetual	2		active	yes
108	file	/AR/SR/TREN	68695-00	68695-00 ANN 7-17-63-14-4		3,402.00	debit	perpetual	2		active	yes
109	file	/AR/SR/TREN	68696-00	68696-00 ANN 15-16-63-14-4		3,090.75	debit	perpetual	2		active	yes
110	file	/AR/SR/TREN	68760-00	68760-00 ANN 14-32-62-14-4		3,330.40	debit	perpetual	2		active	yes
111	file	/AR/SR/TREN	68761-00	68761-00 ANN 2-33-62-14-4		3,524.00	debit	perpetual	2		active	yes
112	file	/AR/SR/TREN	69580-00	69580-00 ANN 1-34-62-14-4		4,199.93	debit	perpetual	2		active	yes
113	file	/AR/SR/TREN	ABOWANN	ALPHABOW ANNUAL RENTAL		363,557.74	debit	perpetual	2		active	yes

# Kikino Metis Settlement

## ALPHABOW ENERGY

/ACCOUNT/AR/SR/TREN

Begin: 01 Apr 2024

End: 31 Mar 2025

Index: date

Line	Type	Folder	Name	Description	Type Tag:	amount financial	Normal Balance	Normal Rep	C	U	Active	Ledger Indexed
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3	file	/AR/SR/TREN	23759-00	23759-00 ANN WS TO 11-28-63-15		8,043.00	debit	perpetual	2		active	yes
4	file	/AR/SR/TREN	30446-00	30446-00 ANN WS 2-22-62-14-4		2,192.05	debit	perpetual	2		active	yes
5	file	/AR/SR/TREN	32332-00	32332-00 ANN WS 9-22-62-14-4		4,264.00	debit	perpetual	2		active	yes
6	file	/AR/SR/TREN	32741-00	32741-00 ANN WS 10-26-62-14-4		3,760.00	debit	perpetual	2		active	yes
7	file	/AR/SR/TREN	33033-00	33033-00 ANN WS 2-31-62-14-4		3,852.80	debit	perpetual	2		active	yes
8	file	/AR/SR/TREN	33034-00	33034-00 ANN WS 3-2-63-14-4		3,316.00	debit	perpetual	2		active	yes
9	file	/AR/SR/TREN	33131-00	33131-00 ANN WS 5-19-64-15-4		6,788.80	debit	perpetual	2		active	yes
10	file	/AR/SR/TREN	33131-02	33131-02 ANN BP 5-19-64-15-4		1,300.00	debit	perpetual	2		active	yes
11	file	/AR/SR/TREN	33258-06	33258-06 ANN VS 34&33-62-14-4		4,500.00	debit	perpetual	2		active	yes
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13	file	/AR/SR/TREN	33478-00	33478-00 ANN WS 10-35-62-14-4		4,429.20	debit	perpetual	2		active	yes
14	file	/AR/SR/TREN	33778-00	33778-00 ANN WS 5-19-62-14-4		5,718.72	debit	perpetual	2		active	yes
15	file	/AR/SR/TREN	33779-00	33779-00 ANN WS 9-28-62-14-4		3,200.00	debit	perpetual	2		active	yes
16	file	/AR/SR/TREN	33780-00	33780-00 ANN AR 5-32-62-14-4		2,857.86	debit	perpetual	2		active	yes
17	file	/AR/SR/TREN	33781-00	33781-00 ANN AR 10-33-62-14-4		3,562.00	debit	perpetual	2		active	yes
18	file	/AR/SR/TREN	33782-00	33782-00 ANN AR 9-34-62-14-4		3,463.60	debit	perpetual	2		active	yes
19	file	/AR/SR/TREN	33783-00	33783-00 ANN AR 12-36-62-14-4		202.40	debit	perpetual	2		active	yes
20	file	/AR/SR/TREN	33784-00	33784-00 ANN AR 16-25-62-15-4		2,281.46	debit	perpetual	2		active	yes
21	file	/AR/SR/TREN	33785-00	33785-00 ANN WS 7-35-62-15-4		2,331.75	debit	perpetual	2		active	yes
22	file	/AR/SR/TREN	33786-00	33786-00 ANN WS 10-35-62-15-4		4,543.76	debit	perpetual	2		active	yes
23	file	/AR/SR/TREN	33787-00	33787-00 ANN WS 12-36-62-15-4		2,427.48	debit	perpetual	2		active	yes
24	file	/AR/SR/TREN	33789-00	33789-00 ANN WS 10-6-63-14-4		2,200.00	debit	perpetual	2		active	yes
25	file	/AR/SR/TREN	33790-00	33790-00 ANN WS 7-7-63-14-4		4,391.66	debit	perpetual	2		active	yes
26	file	/AR/SR/TREN	33791-00	33791-00 ANN WS 10-9-63-14-4		3,396.00	debit	perpetual	2		active	yes
27	file	/AR/SR/TREN	33793-00	33793-00 ANN WS 5-15-63-14-4		2,343.43	debit	perpetual	2		active	yes
28	file	/AR/SR/TREN	33794-00	33794-00 ANN WS 11-16-63-14-4		2,655.60	debit	perpetual	2		active	yes
29	file	/AR/SR/TREN	33795-00	33795-00 ANN WS 15-27-63-14-4		3,352.80	debit	perpetual	2		active	yes
30	file	/AR/SR/TREN	33796-00	33796-00 ANN WS 6-34-63-14-4		3,860.00	debit	perpetual	2		active	yes
31	file	/AR/SR/TREN	33797-00	33797-00 ANN WS 7-35-63-14-4		6,630.80	debit	perpetual	2		active	yes
32	file	/AR/SR/TREN	33797-01	33797-01 ANN WS 7-35-63-14-4		360.00	debit	perpetual	2		active	yes
33	file	/AR/SR/TREN	33798-00	33798-00 ANN WS 5-1-63-14-4		3,893.82	debit	perpetual	2		active	yes
34	file	/AR/SR/TREN	33926-00	33926-00 ANN WS 13-26-62-14-4		4,400.00	debit	perpetual	2		active	yes
35	file	/AR/SR/TREN	34015-00	34015-00 ANN WS 10-29-62-14-4		4,921.60	debit	perpetual	2		active	yes
36	file	/AR/SR/TREN	34016-00	34016-00 ANN WS 10-20-62-14-4		3,607.50	debit	perpetual	2		active	yes
37	file	/AR/SR/TREN	34017-00	34017-00 ANN WS 7-32-62-14-4		3,639.98	debit	perpetual	2		active	yes
38	file	/AR/SR/TREN	34018-00	34018-00 ANN WS 15-3-63-14-4		3,290.00	debit	perpetual	2		active	yes
39	file	/AR/SR/TREN	34019-00	34019-00 ANN WS 7-4-63-14-4		3,870.00	debit	perpetual	2		active	yes
40	file	/AR/SR/TREN	34020-00	34020-00 ANN WS 7-8-63-14-4		5,139.19	debit	perpetual	2		active	yes
41	file	/AR/SR/TREN	34022-00	34022-00 ANN WS 10-26-63-14-4		3,292.00	debit	perpetual	2		active	yes
42	file	/AR/SR/TREN	34025-00	34025-00 ANN WS 2-30-62-14-4		3,700.88	debit	perpetual	2		active	yes
43	file	/AR/SR/TREN	34026-01	34026-01 ANN WS 10-29-63-14-4		3,890.65	debit	perpetual	2		active	yes
44	file	/AR/SR/TREN	34026-02	34026-02 ANN AR 10-29-63-14-4		652.58	debit	perpetual	2		active	yes
45	file	/AR/SR/TREN	34028-00	34028-00 ANN WS 10-10-63-14-4		3,305.20	debit	perpetual	2		active	yes
46	file	/AR/SR/TREN	34320-02	34320-02 ANN AR 10-10-63-14-4		3,000.00	debit	perpetual	2		active	yes
47	file	/AR/SR/TREN	34416-00	34416-00 ANN WS 15-28-63-14-4		3,356.80	debit	perpetual	2		active	yes
48	file	/AR/SR/TREN	34417-00	34417-00 ANN WS 7-32-63-14-4		4,067.95	debit	perpetual	2		active	yes
49	file	/AR/SR/TREN	34418-00	34418-00 ANN WS 14-33-63-14-4		3,370.80	debit	perpetual	2		active	yes
50	file	/AR/SR/TREN	34478-00	34478-00 ANN WS 3-10-64-15-4		3,345.00	debit	perpetual	2		active	yes
51	file	/AR/SR/TREN	34542-00	34542-00 ANN WS 9-15-63-14-4		3,223.60	debit	perpetual	2		active	yes
52	file	/AR/SR/TREN	34643-01	34643-01 ANN VS 7-35-63-14-4		1,500.00	debit	perpetual	2		active	yes
53	file	/AR/SR/TREN	34643-02	34643-02 ANN AC 7-35-63-14-4		400.00	debit	perpetual	2		active	yes
54	file	/AR/SR/TREN	34759-00	34759-00 ANN WS 4-29-63-14-4		3,132.20	debit	perpetual	2		active	yes
55	file	/AR/SR/TREN	34760-00	34760-00 ANN WS 13-1-63-15-4		3,478.83	debit	perpetual	2		active	yes
56	file	/AR/SR/TREN	35645-00	35645-00 ANN WS 15-5-63-14-4		3,200.00	debit	perpetual	2		active	yes



This is **Exhibit "3"** referred to in the Affidavit of Ben Li sworn before me this 27<sup>th</sup> day of January, 2025



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A Commissioner for Oaths in and for Alberta

**Kaamil Khaifan**  
**Barrister & Solicitor**



Bennett Jones

Bennett Jones LLP  
4500 Bankers Hall East, 855 - 2nd Street SW  
Calgary, Alberta, Canada T2P 4K7  
Tel: 403.298.3100 Fax: 403.265.7219

Keely Cameron  
Partner  
Direct Line: 403.298.3324  
e-mail: cameronk@bennettjones.com  
Our File No.: 88323.6

January 20, 2025

Via E-Mail (bj.simpson@gov.ab.ca)

Donna Lakey, Panel Chair  
Metis Settlements Appeal Tribunal  
9<sup>th</sup> Floor, Forestry Building  
9920 – 108 Street  
Edmonton, AB T5K 2M4

Dear Ms. Lakey:

**Re: Kikino Metis Settlement – s. 121 MSAT Application, AlphaBow Energy**

We are in receipt of your letter dated January 16, 2025 and the correspondence from counsel to Kikino Metis Settlement ("**Kikino**"), MLT Aikins LLP enclosed therein. As you know, we are counsel to AlphaBow Energy Ltd. ("**AlphaBow**").

As noted in our correspondence to you on July 25, 2024 – and as acknowledged in your correspondence dated January 16, 2025 – there is a Court-ordered stay of proceedings, which prohibits, among other things, any proceedings against AlphaBow or its property, and the exercise of an entity's rights and remedies against AlphaBow in the absence of the stay being lifted. On April 26, 2024, the Honourable Justice M. J. Lema granted the Initial Order and the Amended and Restated Initial Order (the "**ARIO**") under the *Companies' Creditors Arrangement Act*, RSC 195, c C-36 (the "**CCAA**"). The stay provided for in the ARIO has been subsequently amended, most recently on December 19, 2024, to extend the Stay Period (as defined in the ARIO) to February 14, 2025. A further extension will be sought to enable closure of the various transactions and distribution of proceeds.

#### **I. CCAA Prohibition of Enforcement**

Sections 16 to 19 of the ARIO outline the terms of the Stay Period and the requirement that no proceedings be commenced against AlphaBow while the CCAA restructuring is in progress. Specifically, these sections provide:

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

16. Until and including July 31, 2024, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently

under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

17. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicant to carry on any business that the Applicant is not lawfully entitled to carry on;
- (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
- (c) prevent the filing of any registration to preserve or perfect a security interest;
- (d) prevent the registration of a claim for lien; or
- (e) exempt the Applicant from compliance with statutory or regulatory provisions relating to health, safety or the environment.

18. Nothing in this Order shall prevent any party from taking an action against the Applicant 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 Monitor at the first available opportunity.

### **NO INTERFERENCE WITH RIGHTS**

19. During the Stay Period, 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 Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

## **II. Prejudice in Proceeding**

It is our position that the commencement of the hearing is contrary to the stay of proceedings, claims process established to determine amounts owed to creditors, and potentially the various sales and approval vesting orders as well as the reverse vesting order, which collectively provide for the assumption of all of AlphaBow's oil and gas assets and provide further guidance regarding claims as against AlphaBow and obligations of purchasers.



January 20, 2025

Page 3

The proceeding as proposed, requires AlphaBow to expend scarce resources, making it highly prejudicial to AlphaBow, its creditors and other stakeholders in the CCAA proceedings.

We therefore request that you immediately acknowledge receipt of this letter and confirm that Metis Settlements Appeal Tribunal will not commence the hearing. Should the Metis Settlements Appeal Tribunal refuse to do so, or take any steps to enforce against AlphaBow, we are instructed to seek a Court order enforcing the stay of proceedings and will seek costs for the same.

We look forward to your prompt confirmation and cooperation while AlphaBow continues its restructuring efforts.

Yours truly,

**BENNETT JONES LLP**

*Keely Cameron*

Keely Cameron  
Partner

cc: Andrew Basi, KSV Advisory Inc.  
Jeffrey Oliver, Cassels Brock & Blackwell LLP  
Kaamil Khalfan, Bennett Jones LLP



This is **Exhibit "4"** referred to in the Affidavit of Ben Li sworn before me this 27<sup>th</sup> day of January, 2025



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A Commissioner for Oaths in and for Alberta

**Kaamil Khaifan**  
**Barrister & Solicitor**

**Kaamil Khaifan**  
**Barrister & Solicitor**



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**METIS SETTLEMENTS APPEAL TRIBUNAL**

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January 23, 2025

File: 01-0006-20 to 01-0117-20

VIA EMAIL

**Bennett Jones**

4500 Bankers Hall East

855 – 2<sup>nd</sup> Street SW

Calgary, AB T2P 4K7

**Attn: Keely Cameron** (Legal Counsel for AlphaBow Energy Inc.)

**Email: [cameronk@bennettjones.com](mailto:cameronk@bennettjones.com)**

Dear Ms. Cameron,

**RE: KIKINO METIS SETTLEMENT VS ALPHABOW ENERGY INC  
HEARING RECOMMENCEMENT**

I write further to your letter of January 20, 2025.

**Background**

On December 11, 2020, Kikino Metis Settlement (“Kikino”) applied to the Land Access Panel of the Metis Settlements Appeal Tribunal (the “Appeal Tribunal”) for recovery of compensation under section 121 of the *Metis Settlements Act*. The lease holder at issue is AlphaBow Energy Inc. (“Alphabow”).

On July 5, 2024, the Panel adjourned the hearing between Kikino and Alphabow due to the Court of King’s Bench Amended and Restated CCAA Order dated April 26, 2024.

On December 12, 2024, legal counsel for Kikino Metis Settlement wrote to the Appeal Tribunal and requested that the Panel reconvene the hearing for the Section 121 Application. The Panel understands that, in summary, Kikino takes the position that in light of recent decisions from the Land and Property Rights Tribunal (“LPRT”) and similarities between the *Surface Rights Act* and the *Metis Settlements Act*, an application for direction to pay under Section 121 can proceed regardless of a Court Ordered stay of proceedings arising from an insolvency, restructuring or receivership proceeding. This is permitted, in part, because the direction to pay can be directed

to the President of the Treasury Board and Minister of Finance to pay out of the General Revenue Fund, as opposed to the lease holder.

On January 16, 2025, the Panel wrote to the parties and advised that the Appeal Tribunal had received a request to reconvene the hearing, and requested that the parties provide their availability for the first week of February, 2025.

On January 20, 2025, you wrote on behalf of Alphabow and requested that the Appeal Tribunal “immediately acknowledge receipt of this letter and confirm that Metis Settlements Appeal Tribunal will not commence the hearing.”

### **The Appeal Tribunal will convene to consider the issue raised by the Kikino Metis Settlement**

The Appeal Tribunal will proceed with this matter in order to determine the issue raised by Kikino. In this case, procedural fairness requires the Appeal Tribunal to consider the request by Kikino. It would be unfair to Kikino for the Appeal Tribunal to ignore its request to reconvene the merit hearing. It would also be unfair to the other parties, including Alphabow, to determine the issue without providing an opportunity to hear their positions. Procedural fairness requires the Appeal Tribunal to be responsive to the issues raised by the parties that appear before it.

With respect to Alphabow’s request that the Appeal Tribunal not proceed, I note that the Appeal Tribunal is the master of its own process and scheduling. Section 39 of the Appeal Tribunal *Rules of Procedure* provide that:

- (a) The Appeal Tribunal has sole discretion over the scheduling of a hearing.
- (b) The Appeal Tribunal may reschedule or cancel hearings if circumstances so require.

The Appeal Tribunal is responsible for determining whether to proceed. However, it is open to any party to make that request.

Further, if the Appeal Tribunal was prohibited from considering a request to reconvene the hearing, then this could result in indefinite stays of Appeal Tribunal matters without any recourse available to the parties that appear before it. This could be unfair to the parties who appear before the Appeal Tribunal. This is not to say that every request to reconvene a hearing will be

successful. However, a party must have an ability to at least make the request and have the request considered by the Appeal Tribunal.

### **Process Going Forward**

To be clear, the Panel has made no final determination of the request to reconvene the merit hearing by Kikino. The Panel has approved the reconvening of the hearing to hear arguments on the issue raised by Kikino in its December 12, 2024 letter.

Therefore, the Panel directs the parties as follows:

The parties may contact Jenelle Durocher at [Jenelle.durocher@gov.ab.ca](mailto:Jenelle.durocher@gov.ab.ca) to confirm their availability for February 19, 20, 21 or the week of February 24-28, 2025.

If the Appeal Tribunal has not heard from a party regarding their availability by **January 30, 2025**, the Appeal Tribunal may set a date for the hearing in their absence.

Once a date for the hearing has been set, the parties will be notified by Appeal Tribunal staff.

At the hearing, the parties should be prepared to address:

First Question:

1. the preliminary question raised by Kikino of whether the Appeal Tribunal can proceed in light of the Court Ordered stay of proceedings, and the law set out in Kikino's December 12, 2024 letter; and

Issues Identified in the Hearing Package:

2. Is there satisfactory evidence of failure of the existing mineral lease holder or operator to pay under the 112 Surface Rights Agreements?
3. Is there satisfactory evidence of failure of the existing mineral lease holder or operator to pay under the Release and Settlement Agreement dated September 29, 2017?
4. Is there money due and payable by the existing lease holder or operator under the 112 Surface Rights Agreements and/or the Release and Settlement Agreement?
5. Who is responsible for paying the Occupants?

Depending on the outcome of the first question, the Panel may or may not decide to proceed to hear arguments on the Issues Identified in the Hearing Package.



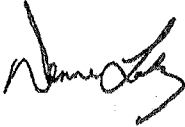
It is up to the parties to decide whether they wish to attend or not. The Appeal Tribunal notes Section 47 of its *Rules of Procedure* provides:

**47. Non-Attendance at Hearing**

(a) If a party fails to attend the hearing after receiving due notice from the Appeal Tribunal of the date, time and place of the hearing, the Appeal Tribunal Panel assigned to the matter may proceed with the hearing as scheduled and the decision will be based on the evidence before it and as provided by the parties present.

If you have any questions, please contact Billie-Jo (BJ) Simpson, Tribunal Secretary via email at [bj.simpson@gov.ab.ca](mailto:bj.simpson@gov.ab.ca) or by calling 1.800.661.8864.

Sincerely,



Donna Lakey  
Panel Chair

Attachment: Bennett Jones Letter dated January 20, 2025

Cc: Sarah Aaron, Bennett Jones LLP, Legal Counsel for ABE ([aarons@bennettjones.com](mailto:aarons@bennettjones.com))  
Kikino Metis Settlement, ([rogerlittlechilds@mcsnet.ca](mailto:rogerlittlechilds@mcsnet.ca))  
Jessica Buhler, MLT Aikens LLP, Legal Counsel for KMS ([jbuhler@mltaikens.com](mailto:jbuhler@mltaikens.com))  
Ben Li, CEO for AlphaBow Energy Inc. ([benli@alphabowenergy.com](mailto:benli@alphabowenergy.com))  
Andrew Basi, KSV Restructuring Inc., CCAA Monitor ([abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com))

Cc: Occupants asked to be copied on MSAT Correspondence

<b>Kikino Settlement Member</b>	<b>MSAT File Number</b>
Rachael Belcourt	01-0022-20 and 01-0113-20
Belva Cardinal	01-0052-20, 01-0108-20, 01-0113-20
Wayne C. Cardinal	01-0016-20, 01-0017-20, 01-0044-20, 01-0052-20, 01-0091-20,
Sandra Cardinal	01-0052-20
Floyd Thompson	01-0096-20
Phillip Collins	01-0031-20, 01-0032-20, 01-0112-20
Robert Pruden	01-0008-20