

COURT FILE NUMBER 2401 13792  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

Clerk's Stamp:



IN THE MATTER OF THE  
RECEIVERSHIP OF  
ERIKSON NATIONAL ENERGY INC.

APPLICANT BRITISH COLUMBIA ENERGY REGULATOR  
RESPONDENT ERIKSON NATIONAL ENERGY INC.  
DOCUMENT **ORIGINATING APPLICATION**

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

Attention: James W. Reid / Pavin Takhar  
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File No. 0287465.0001

**NOTICE TO RESPONDENT:**

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

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

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

Date	<u>October 7, 2024</u>
Time	<u>2:00 p.m.</u>
Where	<u>Edmonton Law Courts , VIA WEBEX</u>
Before Whom	<u>The Honourable Justice G. S. Dunlop</u>

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

**Remedy claimed or sought:**

1. The British Columbia Energy Regulator formerly named the BC Oil & Gas Commission (the “**BCER**”), seeks an Order, substantially in the form attached as **Schedule “A”**, among other things:
  - (a) abridging, if necessary, the time for service of notice of this Originating Application and materials in support thereof, and declaring service of the same to be good and sufficient;
  - (b) appointing Grant Thornton Limited as receiver and manager (the “**Receiver**”) over all of the assets, undertakings and properties of Erikson National Energy Inc. (“**Erikson**”) 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 (the “**ABCA**”) and section 39 of the *Law and Equity Act*, RSBC 1996, c. 253;
  - (c) if necessary, an order pursuant to section 69.4 *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”) lifting the stay of proceedings in the notice of intention proceedings (the “**NOI Proceedings**”) of Erikson, *nunc pro tunc*; and
  - (d) such further and other relief as counsel may request and this Honourable Court may deem appropriate.

**Grounds for making this Application:**

Background

2. The Applicant, BCER, is a regulatory agency with responsibilities overseeing energy resource activities, including oil and gas, and renewable geothermal operations in British Columbia. The BCER ensures compliance with environmental and safety regulations by granting permits, conducting inspections, and enforcing standards, as mandated by the *Energy Resource Activities Act*, SBC 2008, c 36 (“**ERAA**”) formerly the *Oil and Gas Activities Act*, RSBC 1996, c 364.
3. The Respondent, Erikson, is an active Alberta corporation incorporated via continuance pursuant to the ABCA.
4. Erikson operates as an oil and natural gas company with assets located in the Greater Fort Nelson and Greater Fort St. John areas of British Columbia (the “**Properties**”).

Erikson's assets include a gas processing plant, frac water and water storage sites, wells, and associated pipeline and facility infrastructure.

5. The Properties consist primarily of operated, high working interest shale natural gas production.
6. To operate its oil and gas assets in British Columbia, Erikson applied for certain permits from the BCER in accordance with the ERAA.
7. Erikson submitted a security deposit of \$4,800,000 to ensure the performance of its obligations under the ERAA.
8. Erikson is a permit holder under the ERAA and is governed by the ERAA and its respective regulations.

#### Erikson's Non-Compliance with the ERAA and BCER Orders

9. Erikson purchased the Properties out of the receivership proceedings of Ranch Energy Corporation in 2019.
10. Since taking over the assets from Ranch Energy Corporation, the BCER became aware of certain failures of Erikson to meet its obligations under the ERAA, including but not limited to failure to complete decommissioning and address potential contamination at a frac water storage site, issues with procedures related to suspending oil and gas sites, deactivating certain of its pipelines, failure to pay security and other amounts owing to the BCER, including certain fees and levies.
11. On September 10, 2020, pursuant to section 38 of the ERAA, the BCER issued its first information order against Erikson (the "**September 2020 Order**").
12. The September 2020 Order required Erikson to prepare certain plans to deal with dormant well sites that had not been suspended in accordance with the ERAA, deactivation of a pipeline, and removal of all liquid frac water storage from site d-024-G/094-P-10 (the "**Site**") where a potential leak was identified by the BCER.
13. Erikson failed to comply with the September 2020 Order, and the BCER issued three subsequent orders in respect of the Site on August 26, 2021, April 29, 2022, and April 21, 2023 (together, the "**Subsequent Site Orders**"). The Subsequent Site Orders

among other things, required Erikson to remove all liquid, sludge, and waste from the Site and to properly dispose of these materials.

14. The Subsequent Site Orders were issued pursuant to section 49 of the ERAA.
15. Erikson failed to comply with the Subsequent Site Orders and the BCER was forced to undertake the decommissioning work needed to maintain public and environmental safety at the Site.
16. On January 16, 2024, the BCER issued a costs order in the amount of \$905,976.07 against Erikson in respect of the decommissioning work the BCER completed for Erikson (the “**Costs Order**”).
17. In addition, Erikson has not complied with its reporting obligations to the BCER. On July 10, 2023 and June 17, 2024, the BCER issued orders for Erikson to provide certain information and documentation regarding its wells. These orders were not complied with.
18. On September 21, 2022, the BCER issued an order requiring that Erikson provide security in the amount of \$3,640,522 (the “**September Security Order**”) unless Erikson completed an equal or greater amount of liability reduction activities associated with its assets by June 30, 2023. The amount of security was determined in accordance with the Permittee Capability Assessment (“**PCA**”) program.
19. Erikson failed to complete the majority of the liability reduction within the required timeline and failed to post the required security.
20. On July 4, 2023, the BCER sent demand for payment of the remaining \$2,508,942 of the security owing under the September 2022 Security Order. The demand required payment of this amount by August 3, 2023.
21. On August 3, 2023, the BCER sent a second demand letter for payment of the amounts owing under the September 2022 Security Order.
22. Erikson failed to comply with the September 2022 Security Order or respond to the demands, and on January 25, 2024, the BCER filed the September 2022 Security Order with the Supreme Court of British Columbia.

23. On July 9, 2024, Erikson was ordered by the BCER to submit a further \$9,728,000 (the “**July 2024 Security Order**”) by August 9, 2024, as security for certain corrective action that was not completed under the PCA program.
24. Erikson’s dormant, inactive and marginal liability is currently \$54,400,000. Reviews of its financial information under the PCA program identified it as high risk. This resulted in corrective action to reduce liabilities and Erikson’s failure to sufficiently reduce those liabilities resulted in the security orders made against it.
25. Erikson has refused, neglected or failed to provide the required security in accordance with both the September 2022 Security Order and the July 2024 Security Order. Its non-compliance with the PCA program is a risk to the overall public and environmental landscape.

#### Erikson’s Failure to Pay Levies

26. Erikson, has failed to pay certain industry levies.
27. Erikson is required to make payment of almost \$390,000 in respect of outstanding levies.

#### Erikson’s Attempts to Sell its Shares or Properties

28. Since early 2023, Erikson has been marketing the Properties for sale and investment and attempting a share sale.
29. Despite its efforts, Erikson has been unable to secure a purchaser or other investor in its business.
30. Erikson and Kingscrest Acquisition Corp. (“**Kingscrest**”) have been in negotiations, and related discussions with the BCER, regarding a potential deal that could see a significant portion of Erikson’s assets that are of concern to the BCER retained by Erikson under new ownership by Kingscrest (the “**Transaction**”). However, despite weeks of efforts those parties have been unable to reach agreement, and it appears they will not.
31. Erikson and Kingscrest have been unable to finalize certain terms of the Transaction in a timely manner.

32. Erikson and Kingscrest continue negotiations in respect of the Transaction but it appears parties may not be able to close the Transaction before the winter, when the Properties need to be taken over by a responsible operator.
33. The BCER was advised by Erikson that as of May 2024 all assets of Erikson have been shut-in and are no longer producing.
34. Kingscrest has agreed to fully fund the receivership proceedings to complete the Transaction.

#### Demand for Compliance and Payment of Security Orders

35. On or about September 24, 2024, the BCER, through its legal counsel Miller Thomson LLP, sent a demand for compliance of all the outstanding orders issued by the BCER (the “**Demand**”).
36. On September 25, 2024, counsel to Erikson responded advising that it wanted to find a reasonable resolution for the Transaction with Kingscrest.

#### Notice of Intention

37. Since sending its reply to the Demand, counsel to Erikson advised that it has or will file a notice of intention pursuant to section 50.4(1) of the BIA.
38. Pursuant to section 69(1) of the BIA, on the filing of a notice of intention by an insolvent person no creditor has any remedy against the insolvent person or the insolvent person’s property.
39. The BCER is not bringing this Originating Application as creditor of Erikson and any stay of proceedings there may be is not applicable to the BCER.
40. In the event the BCER is subject to a stay of proceedings, it will suffer significant prejudice.
41. The BCER may be required to pay costs of decommissioning, remediation, reclamation and ongoing legal costs to preserve and protect the Properties, the Site and the assets of Erikson.
42. The BCER has lost confidence in Erikson to appropriately and competently respond to its outstanding statutory and environmental obligations.

43. If necessary, equitable grounds exist that warrant the granting of an order lifting the stay.

The Appointment of a Receiver is Necessary and Appropriate

44. This Honourable Court has jurisdiction to appoint a receiver over Erikson pursuant to section 99 of the ABCA:

... on an application by any interested person, the Court may make any order it thinks fit including...

a) an order appointing, replacing or discharging a receiver or receiver-manager and approving the receiver's or receiver-manager's accounts.

45. This Court has jurisdiction to appoint a receiver-manager over Erikson pursuant to section 39 of the *Law and Equity Act*, RSBC 1996, c. 253:

39 (1) An injunction or an order in the nature of mandamus may be granted or a receiver or receiver manager appointed by an interlocutory order of the court in all cases in which it appears to the court to be just or convenient that the order should be made.

(2) An order made under subsection (1) may be made either unconditionally or on terms and conditions the court thinks just.

46. This Honourable Court may appoint a receiver under section 13(2) of the *Judicature Act*, RSA 2000, c J-2 if it is satisfied that it is just and equitable that a receiver be appointed.

47. It is just, equitable, and convenient that a receiver be appointed for the following reasons:

(a) There are significant environmental and health and safety risks as a result of Erikson's lack of compliance with BCER orders.

(b) The BCER has lost confidence in management of Erikson to comply with its statutory and regulatory obligations.

(c) Failure by Erikson to promptly and thoroughly continue to maintain, clean up, decommission, and remediate its sites poses.

(d) As the cold weather season and freezing temperatures approach, certain assets that require protection, preservation and winterization need a receiver to manage and ensure they are protected and do not create any further environmental risks.

(e) A receivership will be a benefit to all stakeholders. The proposed path will allow for critical environmental preservation.

- (f) A receiver can finalize and close the Transaction for the benefit of stakeholders.
- (g) A receiver can report to the Court and stakeholders to ensure transparency and orderliness.
- (h) The proposed Receiver has consented to act.

48. In the circumstances, the balance of convenience weighs in favour of the appointment of a receiver and manager. It is just, equitable and convenient to appoint a receiver and manager over Erikson.

**Material or evidence to be relied on:**

- 49. Affidavit of Michael Janzen, affirmed October 2, 2024, to be filed.
- 50. Consent to Act of Grant Thornton Limited, to be filed.
- 51. Brief of Law, to be filed.
- 52. Such further and other materials as counsel may advise and this Honourable court may permit.

**Applicable rules**

- 53. *Alberta Rules of Court*, Alta Reg 124/2010, Part 3 Division 2 and Part 6.
- 54. Such other Rules as counsel may refer to or that this Honourable Court may permit.

**Applicable Acts and regulations:**

- 55. *Judicature Act*, RSA 2000, c. J-2, section 13(2).
- 56. *Business Corporations Act*, RSA 2000, c. B-9.
- 57. *Energy Resource Activities Act*, SBC 2008, c. 36.
- 58. *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3.
- 59. *Law and Equity Act*, RSBC 1996, c. 253.
- 60. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.



**Any irregularity complained of or objection relied on:**

61. None.

**How the application is proposed to be heard or considered:**

62. On the Commercial List, via Webex before the Honourable Justice Dunlop.

**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 may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

**SCHEDULE "A"**

**Proposed form of Order**

Clerk's Stamp:

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF  
ERIKSON NATIONAL ENERGY INC.

APPLICANT

BRITISH COLUMBIA ENERGY REGULATOR

RESPONDENT

ERIKSON NATIONAL ENERGY INC.

DOCUMENT

**RECEIVERSHIP ORDER**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

MILLER THOMSON LLP  
Barristers and Solicitors  
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File No. 0287465.0001

**DATE ON WHICH ORDER WAS PRONOUNCED: October 7, 2024**

**LOCATION OF HEARING: Edmonton Law Courts**

**NAME OF JUSTICE WHO GRANTED THIS ORDER: The Honourable Justice Dunlop**

**UPON** the application of the British Columbia Energy Regulator (the "**BCER**") in respect of Erikson National Energy Inc. (the "**Debtor**");

**AND UPON** having read the Application, the Affidavit of Michael Janzen, affirmed October 2, 2024; and the Affidavit of Service of Marica Ceko, sworn on [●];

**AND UPON** reading the consent of Grant Thornton Limited to act as receiver (the "**Receiver**") of the Debtor, filed;

**AND UPON** hearing counsel for the BCER, counsel for the proposed Receiver, counsel for the Debtor, 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 if applicable and this application is properly returnable today.

**Appointment**

2. Pursuant to and sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9 and section 39 of the *Law and Equity Act*, RSBC 1996, c. 253, Grant Thornton Limited is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, 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, which shall include the Receiver's ability:
    - i. to abandon, dispose of, or otherwise release any interest in any of the Debtor's real or personal property, or any right in any immovable; and
    - ii. upon further order of the Court, to abandon, dispose of, or otherwise release any license or authorization issued by the BCER, or any other similar government authority;
  - (b) 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;

- (c) 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;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (h) 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;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) 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;
- (k) 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;

- (l) 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 \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; 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 section 59(10) of the *Personal Property Security Act*, RSBC 1996, c. 359 and subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- (m) 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;
- (n) 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;
- (o) 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 Land Title and Survey Authority of British Columbia and Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding sections 134 and 210 of the *Land Titles Act*, RSBC 1996, c. 250 and 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 of British Columbia and Registration of Land Titles of Alberta, as applicable, 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;

- (p) 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;
- (q) 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;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (t) to assign the Debtor into bankruptcy;

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-operations 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 of 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 leave of this Court, including, without limitation, any rights or remedies or provisions in any agreement, construction, ownership and operating agreement, joint venture agreement or any such similar agreement or agreements to which the Debtor is a party that purport to effect or cause a cessation of operatorship as a result of the occurrence of any default or non-performance by or the insolvency of the Debtor, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Debtor be replaced as operator pursuant to any such agreements without further order of this Court provided, however, that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided 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 Debtor and 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 Debtor or exercising any other remedy provided under such agreements or arrangements. The Debtor shall be entitled to the continued use of its 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 Debtor 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 each of the Debtor 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 *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (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 ("**WEPPA**").

### **Limitations on Environmental Liabilities**

15. (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**

16. 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**

17. The Receiver, counsel to the Receiver and counsel to the BCER shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver, counsel to the Receiver and counsel to the BCER 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) and 88 of the BIA.
18. The Receiver, its legal counsel and counsel to the BCER shall pass their accounts from time to time.
19. 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, its counsel or counsel to the BCER, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **Funding of the Receivership**

20. 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 \$500,000 (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) and 88 of the BIA.

21. 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.
22. 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.
23. 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.
24. The Receiver shall be authorized 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.

#### **Allocation**

25. 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**

26. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
27. 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.
28. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. 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.
30. 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.
31. The BCER shall have its costs of this application, up to and including entry and service of this Order, 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.
32. 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**

33. This Order is issued and shall be filed in Court of King's Bench Action No. [●].
34. The Receiver shall establish and maintain a website in respect of these proceedings at [●] (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 materials as are confidential and the subject of a sealing order or pending application for a sealing order.
35. 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.

36. 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.

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Justice of the Court of King's Bench of Alberta



**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Grant Thornton Limited the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Erikson National Energy Inc. appointed by Order of the Court of King's Bench of Alberta and Court of King's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated [●] ("**Order**") made in action number [●], has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of [●], being part of the total principal sum of [●] that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [monthly] after the date hereof at a notional rate per annum equal to the rate of [●] per cent above the prime commercial lending rate of the Bank of [●] from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at [●].
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 2024

Grant Thornton Limited, solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity or corporate capacity

Per: \_\_\_\_\_

Name:

Title: