

COURT FILE NUMBER 2401-13792  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
IN THE MATTER OF THE RECEIVERSHIP OF  
ERIKSON NATIONAL ENERGY INC.  
APPLICANTS BRITISH COLUMBIA ENERGY REGULATOR  
RESPONDENTS ERIKSON NATIONAL ENERGY INC.  
DOCUMENT **SECRETARIAL AFFIDAVIT**  
ADDRESS FOR SERVICE AND CONTACT  
MILLER THOMSON LLP  
Barristers and Solicitors  
525-8<sup>th</sup> Avenue SW, 43<sup>rd</sup> Floor  
Calgary, AB, Canada T2P 1G1  
INFORMATION OF PARTY FILING THIS DOCUMENT

Attention: James W. Reid / Pavin Takhar  
Telephone: 403-298-2418 / 403-298-2432  
Email: [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)  
[ptakhar@millerthomson.com](mailto:ptakhar@millerthomson.com)

File No. 0287465.0001

**AFFIDAVIT OF MARICA CEKO**  
**Sworn on October 9, 2024**

I, MARICA CEKO, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am employed by Miller Thomson LLP as a legal assistant and as such have personal knowledge of the matters deposed to in this Affidavit.
2. Attached and marked as Exhibit "A" is an email chain dated from September 26, 2024 to September 29, 2024.
3. Attached and marked as Exhibit "B" is correspondence dated October 3, 2024, from Keely Cameron of Bennett Jones LLP ("**Cameron**").
4. Attached and marked as Exhibit "C" is correspondence dated October 4, 2024 from James Reid of Miller Thomson LLP ("**Reid**").
5. Attached and marked as Exhibit "D" is correspondence dated October 7, 2024, from Cameron.

Clerk's Stamp:



COM  
Oct 11, 2024

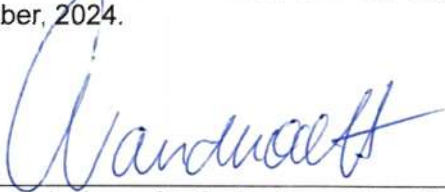
6. Attached and marked as Exhibit "E" is an email chain dated October 7, 2024 to October 8, 2024 between Cameron and Reid.

7. Attached and marked as Exhibit "F" is correspondence dated October 9, 2024, from Cameron.

8. Attached and marked as Exhibit "G" is correspondence dated October 9, 2024, from Reid.

9. Attached and marked as Exhibit "H" is correspondence dated October 9, 2024, from Darrell Peterson of McMillan LLP.

SWORN BEFORE ME at the City of Calgary, )  
in the Province of Alberta, this 9th day of )  
October, 2024. )  
)  
)  
)  
)  
)  
)

  
\_\_\_\_\_  
A Commissioner for Oaths in and for Alberta

  
\_\_\_\_\_  
MARICA CEKO

**Christine Vanderhooff**  
A Commissioner for Oaths in and for Alberta  
My commission expires November 25, 2025

This is Exhibit "A" referred to in the Affidavit of Marica Ceko sworn before me this 9th day of October 2024



---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Christine Vanderhooft**  
A Commissioner for Oaths in and for Alberta  
My commission expires November 25, 2025

---

**Subject:** RE: Erikson  
**Attachments:** Acquisition Agreement - Erikson\_National (McM Draft dated September 22 2024).docx

**From:** Beth Riley <[beth.riley@mcmillan.ca](mailto:beth.riley@mcmillan.ca)>  
**Sent:** Sunday, September 29, 2024 5:28 PM  
**To:** Kristos Iatridis <[latridisk@bennettjones.com](mailto:latridisk@bennettjones.com)>; Keely Cameron <[CameronK@bennettjones.com](mailto:CameronK@bennettjones.com)>  
**Cc:** Reid, James <[jwreid@millერთhompson.com](mailto:jwreid@millერთhompson.com)>; Darrell Peterson <[darrell.peterson@mcmillan.ca](mailto:darrell.peterson@mcmillan.ca)>; Adam Maerov <[Adam.Maerov@mcmillan.ca](mailto:Adam.Maerov@mcmillan.ca)>; Robin Junger <[Robin.Junger@mcmillan.ca](mailto:Robin.Junger@mcmillan.ca)>  
**Subject:** RE: Erikson

Hi Keely & Kristos,

With the confirmation below that the Regulator continues to support the transaction as contemplated in their September 3 letter submission, as well as the confirmation of the additional costs and time to implement an asset transaction, we reiterate that the only transaction that Kingscrest is prepared to undertake is as set out in our email to you of Sunday, September 22, 2024 4:42 PM (attached for your reference). If we are able to finalize a commercially reasonable PSA prior to end of day tomorrow (including, Kingscrest being satisfied with a review of the list of assets and mineral property title search results that we are still waiting on from you), we would be pleased to move forward to close this transaction in an expedited fashion.

If we are not able to do so then we intend to ask the BCER and its counsel (copied here) to explore a different path whereby KC might acquire certain assets through the proceedings the BCER will commence on Tuesday. We state this to make clear our intention to James and to ensure you are aware.

Many thanks,  
Beth

**mcmillan**

**Beth Riley**

Partner  
Pronoun: She / Her  
d 403.531.4714  
[beth.riley@mcmillan.ca](mailto:beth.riley@mcmillan.ca)

Assistant: Simon Addicott | 403.231.8393 | [simon.addicott@mcmillan.ca](mailto:simon.addicott@mcmillan.ca)

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**From:** Reid, James <[jwreid@millერთhompson.com](mailto:jwreid@millერთhompson.com)>  
**Sent:** Sunday, September 29, 2024 11:53 AM  
**To:** Kristos Iatridis <[latridisk@bennettjones.com](mailto:latridisk@bennettjones.com)>; Darrell Peterson <[darrell.peterson@mcmillan.ca](mailto:darrell.peterson@mcmillan.ca)>; Keely Cameron <[CameronK@bennettjones.com](mailto:CameronK@bennettjones.com)>; Adam Maerov <[Adam.Maerov@mcmillan.ca](mailto:Adam.Maerov@mcmillan.ca)>; Beth Riley <[beth.riley@mcmillan.ca](mailto:beth.riley@mcmillan.ca)>; Robin Junger <[Robin.Junger@mcmillan.ca](mailto:Robin.Junger@mcmillan.ca)>  
**Subject:** RE: Erikson

**[EXTERNAL/EXTERNE]**



All,

Thank you for patience as I know this is time sensitive.

See attached the Regulator's responses to the questions put to us on Friday afternoon and the September 3 draft letter submission referenced therein. Given the timeframes we were working under, please understand we could not provide a more fulsome response.

The Regulator continues to be supportive of the transaction contemplated in the September 3 letter submission, including an RVO should the parties agree to that structure. In speaking with EY, who I understand is the parties preferred Court officer, I understand it too would support an RVO structure.

Please note that we have booked Court time for October 7 @ 2:00 pm for a one hour hearing. The time was booked for the Regulator to appoint a receiver over Erikson. We intend to file materials Tuesday. Should parties be able to work out a form of transaction for us to consider, whether the RVO format or otherwise, we can pivot and use the scheduled time for approval of a transaction.

I am solo parenting this weekend, but am available on my cell if needed. If I do not pick up, I will call back if you leave a message.

Sincerely,

**JAMES W. REID**  
Partner

**MILLER THOMSON LLP**  
525-8th Avenue S.W., 43rd Floor  
Eighth Avenue Place East  
Calgary, Alberta | T2P 1G1  
T +1 403.298.2418  
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[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)

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**From:** Kristos Iatridis <[latridisK@bennettjones.com](mailto:latridisK@bennettjones.com)>

**Sent:** Friday, September 27, 2024 12:42 PM

**To:** Reid, James <[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)>; Darrell Peterson <[darrell.peterson@mcmillan.ca](mailto:darrell.peterson@mcmillan.ca)>; Keely Cameron <[CameronK@bennettjones.com](mailto:CameronK@bennettjones.com)>; Adam Maerov <[Adam.Maerov@mcmillan.ca](mailto:Adam.Maerov@mcmillan.ca)>; Beth Riley <[beth.riley@mcmillan.ca](mailto:beth.riley@mcmillan.ca)>; Robin Junger <[Robin.Junger@mcmillan.ca](mailto:Robin.Junger@mcmillan.ca)>

**Subject:** RE: Erikson

**Importance:** High

Hello James,

Further to our call yesterday, I have attached the questions that we would like you to take to your client.

We look forward to your response.

Best,

Kristos

**Kristos J. Iatridis**

Partner\*, Bennett Jones LLP

\*Denotes Professional Corporation

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7

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**From:** Reid, James <[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)>

**Sent:** Thursday, September 26, 2024 9:18 AM

**To:** Darrell Peterson <[darrell.peterson@mcmillan.ca](mailto:darrell.peterson@mcmillan.ca)>; Keely Cameron <[CameronK@bennettjones.com](mailto:CameronK@bennettjones.com)>; Adam Maerov <[Adam.Maerov@mcmillan.ca](mailto:Adam.Maerov@mcmillan.ca)>; Beth Riley <[beth.riley@mcmillan.ca](mailto:beth.riley@mcmillan.ca)>; Kristos Iatridis <[latridisK@bennettjones.com](mailto:latridisK@bennettjones.com)>;

Robin Junger <[Robin.Junger@mcmillan.ca](mailto:Robin.Junger@mcmillan.ca)>

**Subject:** RE: Erikson

I am currently available at 2:00 pm MT.

Sincerely,

**JAMES W. REID**

Partner

**MILLER THOMSON LLP**

525-8th Avenue S.W., 43rd Floor

Eighth Avenue Place East

Calgary, Alberta | T2P 1G1

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**From:** Darrell Peterson <[darrell.peterson@mcmillan.ca](mailto:darrell.peterson@mcmillan.ca)>

**Sent:** Thursday, September 26, 2024 8:56 AM

**To:** Reid, James <[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)>; Keely Cameron <[CameronK@bennettjones.com](mailto:CameronK@bennettjones.com)>; Adam Maerov <[Adam.Maerov@mcmillan.ca](mailto:Adam.Maerov@mcmillan.ca)>; Beth Riley <[beth.riley@mcmillan.ca](mailto:beth.riley@mcmillan.ca)>; Kristos Iatridis <[latridisK@bennettjones.com](mailto:latridisK@bennettjones.com)>;

Robin Junger <[Robin.Junger@mcmillan.ca](mailto:Robin.Junger@mcmillan.ca)>

Subject: **[\*\*EXT\*\*]** Erikson

All – one of the stumbling blocks to a deal is a concern that an RVO where all licenses are not being assumed will not work. There are differing opinions in respect of that held by various parties on this email. The BCER is of the opinion that it would work - that is the structure proposed and supported by them in conversations with Kingscrest. I would like to propose that this group have a call at 1400 hrs this afternoon to discuss.

If we have time and there is the desire to, we can also discuss as a group any concerns in respect of consideration being paid pursuant to the transaction and what comfort can be provided by the BCER to TEC and it's principals in respect of any potential liability under their regime.

**mcmillan**

**Darrell Peterson**

Partner

d 403.231.8399 | f +1.403.531.4720

[darrell.peterson@mcmillan.ca](mailto:darrell.peterson@mcmillan.ca)

**McMillan LLP**

Lawyers | Patent & Trade-mark Agents

1700, 421 - 7th Avenue S.W.

Calgary, Alberta T2P 4K9

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This is Exhibit "B" referred to in the Affidavit of Marica Ceko sworn before me this 9th day of October 2024



---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Christine Vanderhooff**  
A Commissioner for Oaths in and for Alberta  
My commission expires November 25, 2025



Bennett Jones

Bennett Jones LLP  
4500 Bankers Hall East, 855 - 2nd Street SW  
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**Keely Cameron**  
Partner  
Direct Line: 403.298.3324  
e-mail: cameronk@bennettjones.com  
Our File No.: 877574.38

October 3, 2024

Via E-Mail (jwreid@millerthomson.com)

Miller Thomson LLP  
525-8th Avenue S.W, East, 43<sup>rd</sup> floor  
Calgary, AB T2P 1G1

**Attention: James Reid**

Dear Mr. Reid:

**Re: BC Energy Regulator Application for the Appointment of a Receiver**

As you are aware, we are counsel to Erikson National Energy Inc. ("**Erikson**").

We have received your correspondence dated October 2, 2024 enclosing court filings of an order sought by the British Columbia Energy Regulator ("**BCER**") to appoint Grant Thornton Limited as a receiver and manager of Erikson's assets, and if necessary, to lift the stay of proceedings in the notice of intention proceedings ("**NOI Proceedings**").

Erikson is surprised that the BCER has sought to appoint a receiver, when it confirmed in an email dated September 17, 2024, that the BCER would not take steps to enforce against Erikson while Erikson concluded the sales process. That agreement created a legitimate expectation that Erikson could conclude its negotiation and sales process without further interference from the BCER. Despite this the BCER continued to negotiate amendments to the transaction and to the scope of the assets to be assumed by the prospective purchaser, Kingscrest Acquisition Corp. ("**Kingscrest**"), which caused setbacks in negotiations. We now understand that the BCER has negotiated a BCER-led receivership which is financially supported by Kingscrest, the spectre of which is further impacting the completion of the transaction, and may result in a loss of jobs for Erikson's employees and a less beneficial transaction for Erikson's stakeholders. As a result of this undue regulatory interference, the deal Erikson negotiated with Kingscrest is at risk of being compromised, which could lead to Erikson's stakeholders suffering material harm. The BCER's ongoing overreach in this manner also sets a dangerous market precedent that could deter future investments and deals in this sector.

October 3, 2024

Page 2

Erikson is further surprised that the BCER would file to appoint a receiver when Erikson had advised the BCER that it was commencing NOI Proceedings and was in ongoing discussions to conclude a transaction with Kingscrest. In anticipation of a cooperative sales process, we reached out to you for input on preferred wording in the proposed form of vesting order less than a week ago and have yet to receive a response.

Mr. Janzen's assertions in his affidavit dated October 1, 2024 ("**Janzen Affidavit**") that Erikson and Kingscrest may not be able to close the transaction before the winter is unfounded speculation. Erikson has been working towards signing an Acquisition Agreement on Monday, October 7, 2024, with the vesting order application to be heard within the next two weeks and closing to occur upon granting of the vesting order. However, the actions of the BCER and its bias in favour of Kingscrest has resulted in setbacks to those discussions which Erikson is working to overcome. However, it is difficult to do so, when Erikson is not privy to the specifics of the deal that the BCER has negotiated with Kingscrest.

Erikson would like to know by what legislative authority the BCER has negotiated such an arrangement with a potential purchaser to bring a receivership application, especially while Erikson is in the midst of NOI Proceedings and a sales process. While the Alberta Energy Regulator and Alberta's Orphan Well Association ("**OWA**") have the legislative authority to apply for the appointment of a receiver,<sup>1</sup> no comparable legislative authority exists for the BCER. To Erikson's knowledge, the BCER has only ever initiated a receivership in a joint application with the OWA.<sup>2</sup> In Erikson's view, the BCER has exceeded its jurisdiction not only in seeking to appoint a receiver but in the interference with Erikson's economic relations through the unauthorized negotiations with Kingscrest.

Erikson requests that the BCER retract its application seeking appointment of a receiver over Erikson. A receivership will result in the loss of jobs for Erikson's employees, will result in delays in resolving matters as the receiver will not have the familiarity necessary to maximize value for stakeholders. Further, we have concerns about whether the BCER or a receiver would maintain the assets to the same level as Erikson.

Should the BCER be unwilling to withdraw the application, we ask that it be adjourned. Not only was insufficient notice provided for the originating application but I am scheduled to be in another application on October 2, 2024 at 2pm.

Further, we require an opportunity to examine Mr. Janzen on the Janzen Affidavit and if necessary provide evidence in response. As we have no interest in delaying matters, we would be prepared to examine Mr. Janzen as early as the morning of Monday, October 7, 2024 provided that we receive the below records by no later than end of day tomorrow, October 4, 2024:

---

<sup>1</sup> *Oil and Gas Conservation Act*, RSA 2000, c O-6, s 106.1; *Orphan Fund Delegated Administration Regulation*, Alta Reg 45/2001, s 3(b)(ii).

<sup>2</sup> Court of King's Bench of Alberta Action No. 2101-05013, SanLingEnergy Ltd. Receivership Proceedings.



October 3, 2024

Page 3

1. Copies of all documentation which shows: when the potential leak at the liquid frac water storage from site d-024-G/094-P-10 was first discovered by the BCER; steps taken by the BCER upon identification; any changes regarding the potential leak since the original identification of the leak; and documentation around any other environmental leaks or releases at or near the frac water storage since its commission;
2. Copies of all communication with Kingscrest or its counsel;
3. Copies of all internal records related to a transaction with Kingscrest;
4. Copies of all records related to the decision to appoint a receiver over Erikson;
5. A copy of the agreement with Kingscrest to fund the proposed receivership;
6. Copy of the regulatory authority pursuant to which the BCER has engaged with a potential purchaser of Erikson's assets and entered into an agreement to have that purchaser fund a receivership;
7. Copies of most recent site inspections by the BCER;
8. A list of what shut-in assets require protection, preservation and winterization beyond what is being provided for by Erikson's employees and contractors and the timeline for when the BCER would commence the work and complete it.

While Erikson has serious concerns regarding the actions of the BCER, it remains committed towards advancing a resolution in the best interests of all stakeholders. We look forward to hearing from you. Please note we will be bringing an application for an adjournment should the BCER not consent to one.

Yours truly,

**BENNETT JONES LLP**

*Keely Cameron*

Keely Cameron  
Partner

KC



This is Exhibit "C" referred to in the Affidavit of Marica Ceko sworn before me this 9th day of October 2024



---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Christine Vanderhoof**  
A Commissioner for Oaths in and for Alberta  
My commission expires November 25, 2025



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October 4, 2024

VIA EMAIL  
[cameronk@bennettjones.com](mailto:cameronk@bennettjones.com)

Bennett Jones LLP  
4500, 855 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 4K7

Attention: Keely Cameron

James W. Reid  
Partner  
Direct Line: 403.298.2418  
[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)

File No. 0287465.0001

**Re: Response to October 3, 2024 Letter**

---

Dear Madam:

We write in response to your letter dated October 3, 2024. Capitalized terms used herein have the meanings given in your letter. While there are numerous misrepresentations and unsupported accusations in your letter we will respond to what we believe are the pertinent issues.

The BCER is Entitled to Enforce

Erikson is relying on a September 17, 2024, email as an “agreement” that the BCER would not take enforcement steps against Erikson. A copy of that email thread is enclosed. That email thread points out numerous additional areas where Erikson is non-compliant with regulatory requirements and the fines associated with such non-compliance. The BCER advised it would provide notice of when it would resume compliance/enforcement action in order to permit Erikson’s ongoing discussions with Kingscrest.

Notice of the BCER’s intention to pursue enforcement action occurred in our meeting between counsel to the BCER, Erikson and Kingscrest on September 20, 2024. In that meeting I advised that the BCER would not be making a deal for the parties and that if material progress on Erikson’s and Kingscrest’s proposed transaction was not made by Monday, September 23, 2024, the BCER would pursue enforcement. After Erikson and Kingscrest failed to come to terms by the 23<sup>rd</sup>, on September 24, 2024 we sent a demand letter requiring that Erikson immediately comply with its statutory and regulatory obligations or the BCER would seek the appointment of a receiver.

The BCER has never agreed to forbear against Erikson. To the contrary, the BCER provided extensive latitude, for no consideration on Erikson’s part, in order to allow Erikson to complete the agreement that it had been negotiating with Kingscrest since at least June, and to which the BCER has advised it is willing to support.

The authority for the BCER to bring its receivership application is set out in our brief of law. There has been no “negotiated” receivership between the BCER and Kingscrest. Erikson has been in longstanding default of its obligations and the BCER has the right to take

whatever steps it deems appropriate to mitigate the losses that it continues to incur as a result of Erikson's insolvency and inability to operate its assets.

#### There is No Interference by the BCER

The BCER has at no point "continued to negotiate amendments to the transaction" with Kingscrest. In accordance with its duties as a responsible regulator, the BCER has responded to joint and unilateral enquiries from counsel to Erikson and Kingscrest. The BCER has not participated in the negotiation of a transaction but rather has considered the transaction as proposed by the parties and identified what the regulatory implications would be. At all times the BCER has been clear that it will not make a deal for Erikson and Kingscrest.

The allegations of "regulatory interference" or the BCER's "ongoing overreach" is offensive. The BCER's involvement in Erikson's transaction has only occurred at the transacting parties' request, including the follow up enquiries and questions from your office. If Erikson is unable to complete the transaction it is not as a result of any "deal that the BCER has negotiated with Kingscrest" or that the BCER has negotiated an "arrangement with a potential purchaser to bring a receivership application".

Erikson and Kingscrest asked for the BCER's input and guidance for their deal. The BCER responded to these requests as best it could, but it is up to the parties to come to an agreement *not* the BCER. In both your September 25, 2024 and October 3, 2024 letters, Erikson presents no options or solutions to address the environmental obligations associated with its portfolio of assets. The BCER is pursuing the receivership as the best option to minimize harm given the difficult circumstances it has been put in by Erikson.

#### The BCER will Agree to a Short Adjournment

The BCER has consistently and transparently advised Erikson that if it is unable to complete its deal with Kingscrest, the BCER will seek to appoint a receiver. This is to try and mitigate against the number of Erikson properties that go to the Orphan Site Reclamation Fund for decommissioning and clean up, as well as to ensure the continued care and custody of BC oil and gas assets, which Erikson has failed to do.

As discussed, the BCER has agreed to a short adjournment of its application to Friday, October 11, 2024 at 3:00 pm. The BCER intends to proceed with its application unless there is evidence of considerable progress having been made in Erikson's proposed transaction with Kingscrest. The BCER is not willing to provide Erikson with more time to run a fresh sales process while it continues to ignore its statutory and regulatory obligations at the expense of the BCER and industry.

Notably, in speaking with Erikson's proposal trustee, KSV Restructuring Inc. and its counsel yesterday, both were of the view that Erikson could complete the transaction with Kingscrest through a reverse vesting order. Based on our meetings with counsel to Erikson and Kingscrest and the follow up enquiries to the BCER from the parties, we understood that the transaction proceeding by way of RVO versus asset sale was the primary issue outstanding amongst the parties. Either way, it is up to Erikson and Kingscrest to structure their deal.



Conclusion

At this time we have not shared your letter or this response to any other parties. This is in order to give Erikson the benefit of the doubt that it is committed to advancing a resolution as stated in your letter.

I will be available to discuss over the weekend should you need me, however any threatening or accusatory statements about the conduct of the BCER are unwarranted. The BCER has been extremely patient as Erikson has run multiple sales processes and attempted to negotiate a transaction. The statements and accusations made to the contrary are completely unjustified.

Yours truly,

MILLER THOMSON LLP

Per:

A handwritten signature in blue ink, appearing to read "James W. Reid".

James W. Reid  
JR/mc

Enclosures

c. Pavin Takhar (Miller Thomson LLP)





Enclosure One

---

**From:** McDaid, Dorothy <Dorothy.McDaid@bc-er.ca>  
**Sent:** Tuesday, September 17, 2024 11:07 AM  
**To:** Keely Cameron  
**Subject:** RE: Erikson DSR Non-Compliance [BJ-WSLegal.FID6337063]

Hi Keely,

This was an error on our end. The message below can be disregarded until the BCER provides further notice that it intends to resume compliance/enforcement action with respect to outstanding obligations of Erikson.

Thanks,  
Dorothy



---

**Dorothy McDaid**  
Senior Legal Counsel  
[Dorothy.McDaid@bc-er.ca](mailto:Dorothy.McDaid@bc-er.ca)

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---

**From:** Keely Cameron <CameronK@bennettjones.com>  
**Sent:** Monday, September 16, 2024 3:51 PM  
**To:** McDaid, Dorothy <Dorothy.McDaid@bc-er.ca>  
**Subject:** FW: Erikson DSR Non-Compliance [BJ-WSLegal.FID6337063]

Hi Dorothy,

Are you able to provide any context regarding the below? Our understanding was that the BCER was refraining from taking further action while discussions regarding a potential transaction were ongoing.

**Keely Cameron (She/Her), Partner\***, Bennett Jones LLP  
\*Denotes Professional Corporation  
T. 403 298 3324 | F. 403 265 7219 | M. 403 921 7783

---

**From:** Turner, Toby <[Toby.Turner@bc-er.ca](mailto:Toby.Turner@bc-er.ca)>  
**Sent:** September 16, 2024 5:36 PM  
**To:** [jerome.santiago@eriksonnational.com](mailto:jerome.santiago@eriksonnational.com)  
**Cc:** George Wollen <[George.Wollen@eriksonnational.com](mailto:George.Wollen@eriksonnational.com)>; [jim.young@eriksonnational.com](mailto:jim.young@eriksonnational.com); Mark Horrox <[Mark@thirdeyecapital.com](mailto:Mark@thirdeyecapital.com)>  
**Subject:** Erikson DSR Non-Compliance

Good afternoon, Jerome,

I am writing today in part to confirm whether or not you are still employed at Erikson National Energy Inc. Further, in a review of Erikson's assets in BC, I have confirmed within the BCER that Erikson has a suite of dormant sites in BC, which include 182 Type A sites, of which at least 73 must be fully restored by December 31, 2024. As of now, Erikson remains in non-compliance with s.11 and s.12 of the Dormancy and Shutdown Regulation (DSR), for not submitting to the BCER a n Annual Work plan for 2024 dormancy activities (s.11), as well as not submitting an Annual Report for any 2023 dormancy activities (s.12). Each of these non-compliances carry a potential administrative penalty of up to \$50,000. Erikson is also at high risk of being non-compliant with s.15(3)(a) of the DSR after December 31<sup>st</sup>, 2024, which carries a substantially higher penalty potential (up to \$500,000). I do understand that Erikson has been going through staff losses, but these losses do not mitigate Erikson's obligations to regulatory requirements.

Can you please let me know where Erikson is currently situated with regard to coming into compliance with s.11 and s.12 of the DSR, at your earliest convenience?

I am requesting a response by the end of the business day on Monday September 23, 2024.

Sincerely,  
Toby



---

**Toby Turner**  
Compliance & Enforcement Officer  
[Toby.Turner@bc-er.ca](mailto:Toby.Turner@bc-er.ca)

Fort St. John  
[Office Address Directory](#)  
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Enclosure Two



---

**From:** Reid, James  
**Sent:** Sunday, September 29, 2024 11:53 AM  
**To:** Kristos Iatridis; Darrell Peterson; Keely Cameron; Adam Maerov; Beth Riley; Robin Junger  
**Subject:** RE: Erikson  
**Attachments:** 79926512\_3\_Kingscrest Assets Breakdown (BCER response).DOCX; Draft text for letter submission relating to KC Erikson transaction.docx

All,

Thank you for patience as I know this is time sensitive.

See attached the Regulator's responses to the questions put to us on Friday afternoon and the September 3 draft letter submission referenced therein. Given the timeframes we were working under, please understand we could not provide a more fulsome response.

The Regulator continues to be supportive of the transaction contemplated in the September 3 letter submission, including an RVO should the parties agree to that structure. In speaking with EY, who I understand is the parties preferred Court officer, I understand it too would support an RVO structure.

Please note that we have booked Court time for October 7 @ 2:00 pm for a one hour hearing. The time was booked for the Regulator to appoint a receiver over Erikson. We intend to file materials Tuesday. Should parties be able to work out a form of transaction for us to consider, whether the RVO format or otherwise, we can pivot and use the scheduled time for approval of a transaction.

I am solo parenting this weekend, but am available on my cell if needed. If I do not pick up, I will call back if you leave a message.

Sincerely,

**JAMES W. REID**  
Partner

**MILLER THOMSON LLP**  
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[jwreid@millert Thomson.com](mailto:jwreid@millert Thomson.com)

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**From:** Kristos Iatridis <latridisK@bennettjones.com>

**Sent:** Friday, September 27, 2024 12:42 PM

**To:** Reid, James <jwreid@millerthomson.com>; Darrell Peterson <darrell.peterson@mcmillan.ca>; Keely Cameron <CameronK@bennettjones.com>; Adam Maerov <Adam.Maerov@mcmillan.ca>; Beth Riley <beth.riley@mcmillan.ca>; Robin Junger <Robin.Junger@mcmillan.ca>

**Subject:** RE: Erikson

**Importance:** High

Hello James,

Further to our call yesterday, I have attached the questions that we would like you to take to your client.

We look forward to your response.

Best,

Kristos

**Kristos J. Iatridis**

Partner\*, Bennett Jones LLP

\*Denotes Professional Corporation

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7

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**From:** Reid, James <[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)>

**Sent:** Thursday, September 26, 2024 9:18 AM

**To:** Darrell Peterson <[darrell.peterson@mcmillan.ca](mailto:darrell.peterson@mcmillan.ca)>; Keely Cameron <[CameronK@bennettjones.com](mailto:CameronK@bennettjones.com)>; Adam Maerov <[Adam.Maerov@mcmillan.ca](mailto:Adam.Maerov@mcmillan.ca)>; Beth Riley <[beth.riley@mcmillan.ca](mailto:beth.riley@mcmillan.ca)>; Kristos Iatridis <[latridisK@bennettjones.com](mailto:latridisK@bennettjones.com)>; Robin Junger <[Robin.Junger@mcmillan.ca](mailto:Robin.Junger@mcmillan.ca)>

**Subject:** RE: Erikson

I am currently available at 2:00 pm MT.

Sincerely,

**JAMES W. REID**

Partner

**MILLER THOMSON LLP**

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**From:** Darrell Peterson <[darrell.peterson@mcmillan.ca](mailto:darrell.peterson@mcmillan.ca)>  
**Sent:** Thursday, September 26, 2024 8:56 AM  
**To:** Reid, James <[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)>; Keely Cameron <[CameronK@bennettjones.com](mailto:CameronK@bennettjones.com)>; Adam Maerov <[Adam.Maerov@mcmillan.ca](mailto:Adam.Maerov@mcmillan.ca)>; Beth Riley <[beth.riley@mcmillan.ca](mailto:beth.riley@mcmillan.ca)>; Kristos Iatridis <[latridisK@bennettjones.com](mailto:latridisK@bennettjones.com)>; Robin Junger <[Robin.Junger@mcmillan.ca](mailto:Robin.Junger@mcmillan.ca)>  
**Subject:** [\*\*EXT\*\*] Erikson

All – one of the stumbling blocks to a deal is a concern that an RVO where all licenses are not being assumed will not work. There are differing opinions in respect of that held by various parties on this email. The BCER is of the opinion that it would work - that is the structure proposed and supported by them in conversations with Kingscrest. I would like to propose that this group have a call at 1400 hrs this afternoon to discuss.

If we have time and there is the desire to, we can also discuss as a group any concerns in respect of consideration being paid pursuant to the transaction and what comfort can be provided by the BCER to TEC and it's principals in respect of any potential liability under their regime.



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## Attachment One

Having regard to the breakdown of *wanted* and *unwanted* assets, and having regard to discussions between BCER and Kingscrest, in the context of a potential acquisition by Kingscrest of the *wanted* assets from Erikson, can the BCER advise as to the following:

1. If a share sale along with a reverse vesting order was pursued (having regard to discussions between the BCER and Kingscrest and whereby Kingscrest purchased the shares of Erikson and transferred out of Erikson the unwanted assets and liabilities into a new entity (a "Residual Co"), after which some of these unwanted assets may be transferred to working partners or potentially into the orphan well program, before or in connection with an insolvency of Residual Co):
  - (a) What if any posting of security, payment of outstanding Erikson obligations and / or compliance with orders respecting the *unwanted* assets would the BCER require as a condition to approving the transfer of the licenses contemplated by a court approved transfer of assets

The Regulator's proposed requirements for security and other obligations for this type of transaction are set out in the draft transaction support document provided to counsel to Kingscrest September 3 attached.

- (b) How long would it take to transfer the licenses to Residual Co and what licensing requirements would Residual Co be subject to during the period of time between Residual Co, acquiring the *unwanted* assets and them being addressed through one of the processes below?

See response above.

- (c) Following the transfer of the *unwanted* assets and liabilities to Residual Co.
        - (i) Could the BCER designate the *unwanted* assets as orphan sites following a court order in insolvency proceedings respecting Residual Co.?
        - (ii) Could the BCER designate the *unwanted* assets as orphan sites in the absence of further insolvency proceedings respecting Residual Co.?

The BCER can designate a permit holder's assets as orphan sites in the absence of an insolvency proceeding. If this proceeding gets approved by the Court and closes, the arrangement posed by KC in the September 3 letter, the Regulator would expect the insolvency of Residual Co. would happen in the short term.

2. If Kingscrest were to purchase the *wanted* assets through an insolvency proceeding with the remaining *unwanted* assets staying in Erikson:
  - (a) Would the BCER require greater or more timely security as a condition of approving the transfer of the related licenses and authorizations, as opposed to if there was a share purchase of Erikson and the desired assets remained in Erikson (with others shed through a RVO process)?
  - (b) How long would such an asset transfer process as described above take the BCER to implement?

The details of this form of transaction, including a term sheet, have not been provided to the Regulator to consider in depth. In general, the obligations and costs for the liabilities for an asset transaction will be the same, however timing for when security is to be posted may be different, including a requirement for security to be posted at the time of license transfer.

Where completed applications for permit transfers are submitted with the required fee, the Regulator would estimate 3 weeks to decision.

## Attachment Two



As the British Columbia Energy Regulator has previously advised you and [Party], to secure the BCER's support for a transaction, certain conditions must be met.

The BCER has reviewed the application materials filed on behalf of [Party] with the Court on [Date]. The BCER confirms it supports the application on the understanding that:

1. The wells, facilities, pipelines and associated infrastructure in the Wildboy/Helmet area identified in Schedule A, including the Helmet Gas Plant D-075-A/094-P-11 and related infrastructure (collectively the "Helmet Facility"), will remain with Erikson National Energy Inc. (Erikson), the shares of which will be sold to the Purchaser;
2. The additional wells, facilities, pipelines and associated infrastructure identified in Schedule B, including the Frac Water Storage Site located at d 024 G/094-P-10 associated with BCER permit 100073200 (the "Frac Pond"), will remain with [Residual Co.];
3. Prior to [Date/Event], Erikson will provide, in the form required by the BCER, confirmation that it relinquishes to the BCER security in the amount of \$3,937,243.93, which the BCER holds in accordance with section 30 of the Energy Resource Activities Act (ERAA), which amount is less than the direct and indirect costs the BCER has reasonably incurred in carrying out certain actions to drain and remediate the Frac Pond described in General Order 2021-0054-03;
4. Prior to [Date/Event], the Purchaser will provide to the BCER financial assurance, in the form of cash or an irrevocable letter of credit from a Canadian chartered bank or credit union, in the amount of \$1,000,000.00, being the estimated cost of abandoning certain of the Schedule A assets;
5. The Purchaser will pay \$252,023.09 to satisfy certain outstanding levies associated with the assets in Schedule A, as follows:

[INSERT BASED ON DATES TBD]

The BCER will consider issuance of an order under ERAA to require payment of the levies associated with the assets in Schedule A in accordance with the terms outlined in item 5 above.

The BCER further understands that applications will be submitted to the BCER for certain approvals, including for approvals under the Dormancy and Shutdown Regulation (DSR) or the ERAA (section 43.4(3)), and that such applications would:

- conform to the requirements of the DSR;
- include information regarding planned reactivation of certain wells and planned decommissioning, assessment, remediation and restoration of certain wells in Schedule A;
- have the intention, in part, of seeking approval for the restoration of certain Type A (as that term is defined in the DSR) wells in Schedule A by December 31, 2026; and
- have the intention, in part, of seeking approval for

- the restoration of 7 (seven) Schedule A wells (and associated infrastructure) in 2025 and an additional 7 (seven) Schedule A wells in 2026, or
- the restoration of 40% of the Type A dormant wells by December 31, 2026,

whichever is greater.

The BCER confirms its intention to promptly adjudicate properly completed applications submitted to the BCER for such approvals.

The BCER confirms that following a transaction that conforms to the requirements set out above,

- neither Erikson nor Residual Co. will be responsible for the following orders previously issued by the BCER pursuant to the *Energy Resource Activities Act* to Erikson:

[List applicable s.30/49/50 Orders, including Frac Pond work, Frac Pond cost recovery, outstanding security, outstanding amounts owed for remaining levies]

- the BCER intends to promptly consider termination of the [s.30/49/50 Orders]; and
- the BCER intends to promptly consider amendments to [Section 38 Orders re DPR s.41.1 requirements].

Finally, the BCER confirms it supports a transaction that would have the Schedule A assets in the hands of one operator that will have responsibility and authority to control and manage those assets in accordance with regulatory requirements. Upon closing of any transaction, Erikson will remain a regulated entity, and will be obliged to adhere to and comply with all legal and regulatory requirements respecting its energy resource activities and related activities.

This is Exhibit "D" referred to in the Affidavit of Marica Ceko sworn before me this 9th day of October 2024



---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Christine Vanderhooft**  
A Commissioner for Oaths in and for Alberta  
My commission expires November 25, 2025



**Bennett Jones**

Bennett Jones LLP

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**Keely Cameron**

**Partner**

Direct Line: 403.298.3324

e-mail: [cameronk@bennettjones.com](mailto:cameronk@bennettjones.com)

Our File No.: 877574.38

October 7, 2024

**Via E-Mail ([jwreid@millerthomson.com](mailto:jwreid@millerthomson.com))**

Miller Thomson LLP  
525-8th Avenue S.W, East, 43<sup>rd</sup> floor  
Calgary, AB T2P 1G1

**Attention: James Reid**

Dear Mr. Reid:

**Re: Erikson National Energy Inc. ("Erikson") Proposed Next Steps**

We write to request a meeting tomorrow to discuss a proposed pathway forward. As discussed last week, while Erikson was open to continuing to advance discussions with Kingscrest Acquisition Corp. ("**Kingscrest**"), it was also considering pivoting to a short marketing process as it was concerned regarding the ability of Kingscrest to conclude a transaction. Its concerns were confirmed earlier today and discussions with Kingscrest have terminated.

Erikson wishes to assure the British Columbia Energy Regulator ("**BCER**") that this is not an attempt to delay matters, as it shares the BCER's goal of advancing a transaction as quickly as possible. There is no benefit to Erikson or its stakeholders in delaying a resolution as each week Erikson incurs significant costs to ensure the continued safety of its employees, contractors, and the sites. To this end, we can advise that the sites have been winterized and are continuing to be monitored.

Erikson in consultation with its secured creditor and the Proposal Trustee have determined that it would be prudent to commence a renewed sales process. In discussions with Sayer Energy Advisors, they have proposed a 30-day, single-phase marketing process.

As the BCER is aware from previous discussions, other parties have expressed interest in certain of Kingscrest's assets. These offers were not fully canvassed as Erikson had been focusing its efforts on advancing a transaction with Kingscrest. Further, while a prior sales process was conducted, that process and much of Erikson's efforts were focused on a corporate transaction seeking to sell all of its assets. Under a revised and more flexible marketing approach, we believe there may be other parties



October 7, 2024

Page 2

interested in specific assets, and one such interested party reached out to Erikson over the weekend. Erikson would be prepared to engage with the BCER in the structuring of a process with the goal of ensuring that the maximum amount of liabilities is addressed.

We believe that the above approach is the best course of action. In terms of next steps, and to the extent that the BCER agrees, we would seek to kick off the marketing this week. It would be Erikson's proposal to conduct the process through the current Notice of Intention process which we believe would be the most efficient process and minimize the costs for the BCER while maximizing value.

We look forward to meeting to discuss next steps.

Yours truly,

**BENNETT JONES LLP**

*Keely Cameron*

Keely Cameron  
Partner

KC



This is Exhibit "E" referred to in the Affidavit of Marica Ceko sworn before me this 9th day of October 2024



---

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Christine Vanderhoof**  
A Commissioner for Oaths in and for Alberta  
My commission expires November 25, 2025

---

**Subject:** FW: In the Matter of Erikson National Energy Inc. [BJ-WSLegal.FID6337063]

**From:** Keely Cameron <[CameronK@bennettjones.com](mailto:CameronK@bennettjones.com)>  
**Sent:** Tuesday, October 8, 2024 10:43 AM  
**To:** Reid, James <[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)>  
**Subject:** RE: In the Matter of Erikson National Energy Inc. [BJ-WSLegal.FID6337063]

Thanks James, I will send out an invite.

**Keely Cameron (She/Her), Partner\***, Bennett Jones LLP

\*Denotes Professional Corporation

T. 403 298 3324 | F. 403 265 7219 | M. 403 921 7783

---

**From:** Reid, James <[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)>  
**Sent:** Tuesday, October 8, 2024 10:41 AM  
**To:** Keely Cameron <[CameronK@bennettjones.com](mailto:CameronK@bennettjones.com)>  
**Subject:** RE: In the Matter of Erikson National Energy Inc. [BJ-WSLegal.FID6337063]

Good morning Keely,

My client is available for a 30 minute call at 1:30 MT today. If you send a calendar appointment I will forward it to the applicable individuals at the BCER.

Sincerely,

**JAMES W. REID**

Partner

**MILLER THOMSON LLP**

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**From:** Keely Cameron <[CameronK@bennettjones.com](mailto:CameronK@bennettjones.com)>

**Sent:** Monday, October 7, 2024 7:25 PM

To: Reid, James <[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)>

Subject: **[\*\*EXT\*\*]** In the Matter of Erikson National Energy Inc. [BJ-WSLegal.FID6337063]

James,

Please see attached.

**Keely Cameron (She/Her)**

Partner\*, Bennett Jones LLP

\*Denotes Professional Corporation

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This is Exhibit "F" referred to in the Affidavit of Marica Ceko sworn before me this 9th day of October 2024



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A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Christine Vanderhoof**  
A Commissioner for Oaths in and for Alberta  
My commission expires November 25, 2025



**Bennett Jones**

Bennett Jones LLP

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**Keely Cameron**

**Partner**

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e-mail: cameronk@bennettjones.com

Our File No.: 877574.38

October 9, 2024

**Via E-Mail (jwreid@millerthomson.com)**

Miller Thomson LLP  
525-8th Avenue S.W, East, 43<sup>rd</sup> floor  
Calgary, AB T2P 1G1

**Attention: James Reid**

Dear Mr. Reid:

**Re: Erikson National Energy Inc. ("Erikson") Follow Up from Call**

We thank you and your client for meeting with us to discuss Erikson's proposal for next steps. We understand from our discussion that the British Columbia Energy Regulator ("BCER") is seeking some form of consideration for what it views as forbearance, should it withdraw its receivership application and not oppose Erikson proceeding with a marketing process. We understand that the BCER seeks the following:

1. Confirmation that Erikson will continue to maintain the sites;
2. Consultation with the sales process;
3. Consent to a receiver being appointed should the sale process not be successful;
4. An agreement that no court ordered charge will prime the BCER; and
5. Payment of the BCER's legal fees, including fees that predate Erikson's commencement of its Notice of Intention proceedings.

Items 1 and 2 are readily agreeable to Erikson. With respect to the other three requests, these are respectfully rejected.

Erikson believes that a debtor led process is in the best interests of all stakeholders. Erikson has the best knowledge of the assets which is critical to a successful sales process, and its employees and contractors are best situated to maintain the assets. A receivership process will undoubtedly result in the termination of employees and erosion of value, in addition to the significant costs which will be borne by the BCER.

As for the request that no court charges prime the BCER, this position creates significant uncertainty for any insolvency process. Court officers need to ensure that their fees are paid or else they will not be prepared to act. This request is also in direct opposition to the Alberta Court of Appeal's holding in *Edmonton (City) v Alvarez & Marsal Canada Inc.*,<sup>1</sup> in which the court ruled that "without security for their fees and disbursements [receivers] would be understandably concerned about taking on receiverships."<sup>2</sup> The court further ruled that the "creditor who brings the application for receivership should not be left to bear the entire financial burden of the process. Rather, those costs should be shared equitably amongst all creditors."<sup>3</sup> While Erikson's process is not a receivership, we submit that the same principle applies.

It is unreasonable to expect that Erikson will be able to fund a process beyond its current cash flow, if it cannot provide a lender with a court protected charge as is customary in oil and gas insolvencies. There would be no benefit to any party in advancing Erikson funds absent some protection that such costs will be reimbursed in the event of the sale of Erikson's assets, and to the extent that there are funds in the estate. Providing protection for professional fees should not be of concern to the BCER as any purchaser must still meet the BCER's regulatory requirements and pay any necessary regulatory fees. In contrast, the unwillingness of an insolvency professional to continue to oversee the mandate should be of concern as it will prevent any assets of Erikson's from being transferred or assumed.

As for the payment of the BCER's legal fees, we know of no precedent for such a request. It is inappropriate for Erikson, or its lenders, given its priority payables to advance funds to the BCER for its activities, and which include negotiating with Erikson's potential purchaser for a transaction that does not involve Erikson, and the appointment of a receiver in the face of an existing insolvency proceeding commenced on notice to the BCER. In any event, Erikson does not have extra funds available to pay for the BCER's legal fees. To the extent that the BCER is concerned about costs, it is another reason that the BCER should support Erikson's proposal.

While Erikson is not able to agree to all of the BCER's requests, we hope that the BCER sees that there is alignment on the important issues of ensuring safety of the sites and employees and proceeding with an efficient and cost-effective process. We believe that our proposed 30-day sales process under the Notice of Intention proceedings is the best option in that regard.

Should the BCER be prepared to proceed as proposed by Erikson, we would like to move forward with the sales process tomorrow, and would appreciate another call with Sayer Energy Advisors and the Proposal Trustee to finalize the process. Each day that the sales process is delayed results in further significant costs.

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<sup>1</sup> 2019 ABCA 109, application for leave to appeal to the Supreme Court of Canada denied, 2019 CanLII 94465 (SCC)

<sup>2</sup> *Ibid* at para 17

<sup>3</sup> *Ibid* at para 18





October 9, 2024  
Page 3

Should the BCER intend to proceed with its receivership application on Friday, October 11, kindly advise as to Mr. Janzen's availability for examination this Thursday.

We look forward to your timely response.

Yours truly,

**BENNETT JONES LLP**

*Keely Cameron*

Keely Cameron  
Partner

This is Exhibit "G" referred to in the Affidavit of Marica Ceko sworn before me this 9th day of October 2024



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A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Christine Vanderhoof**  
A Commissioner for Oaths in and for Alberta  
My commission expires November 25, 2025



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October 9, 2024

VIA EMAIL  
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Bennett Jones LLP  
4500, 855 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 4K7

James W. Reid  
Partner  
Direct Line: 403.298.2418  
[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)

File No. 0287465.0001

Attention: Keely Cameron

**Re: In the matter of Erikson National Energy Inc. (“Erikson”)**

---

Dear Madam:

We write in response to your letter dated October 9, 2024. Please be advised that the British Columbia Energy Regulator (“**BCER**”) is not prepared to agree to allow Erikson to run a 30-day sales process under its Notice of Intention proceeding in the circumstances.

This decision is based on the significant risk the BCER is incurring in delaying the appointment of a receiver and:

- (i) the fact that Erikson has already run an unsuccessful long-term sales process;
- (ii) that Erikson’s crown mineral leases have been revoked by the Minister of Energy Mines and Low Carbon Innovation as you advised us of on our call yesterday;
- (iii) that all of Erikson’s assets are shut-in;
- (iv) the apparent lack of resources available to Erikson to fund a sales process and NOI proceeding; and
- (v) the enclosed correspondence received this afternoon from counsel to Kingscrest Acquisition Corp. (“**Kingscrest**”) advising that Kingscrest is willing and able to consummate the transaction that Erikson and Kingscrest had sought the BCER’s input and approval of, and confirming that it will fund the receivership costs and those of the BCER.

We will be proceeding with our receivership application at the date and time we agreed to last Friday. We will attach our respective correspondences over the past week as well as the letter from Kingscrest’s counsel in a Secretarial Affidavit so that Justice Dunlop is aware of the parties’ positions in advance of the hearing Friday.

The request to cross-examine Mr. Janzen on his affidavit affirmed October 2, 2024, will not materially assist the Court in its resolution of the receivership application. The receivership application and Mr. Janzen’s evidence in support thereof is based on Erikson’s consistent

failure to comply with its obligations under the *Energy Resource Activities Act* (BC). Erikson's inability to comply with its obligations is not contentious and is evident in the numerous regulatory orders which Erikson did not dispute or appeal. The cross-examination request appears to be performative and aimed at delay.

If you still wish to cross-examine Mr. Janzen, he can be made available virtually between 10:00 am and 12:00 pm PT on Friday October 11, 2024, in advance of the hearing.

Yours truly,

MILLER THOMSON LLP

Per:

A handwritten signature in blue ink, appearing to read 'James W. Reid', with a stylized flourish at the end.

James W. Reid  
JR/mc





This is Exhibit "H" referred to in the Affidavit of Marica Ceko sworn before me this 9th day of October 2024



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A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

**Christine Vanderhooft**  
A Commissioner for Oaths in and for Alberta  
My commission expires November 25, 2025



Reply to the Attention of: Darrell Peterson  
Direct Line: 403.231.8399  
Email Address: darrell.peterson@mcmillan.ca  
Our File No.: 309482  
Date: October 9, 2024

**EMAIL ([jwreid@millerthomson.com](mailto:jwreid@millerthomson.com))**

James W. Reid  
Partner  
Miller Thomson LLP  
525-8th Avenue S.W., 43rd Floor  
Eighth Avenue Place East  
Calgary, Alberta | T2P 1G1

Dear James,

**Re: Erikson National Energy Inc.**

Further to my email of October 7, 2024 and our subsequent telephone conversation, I confirm that on October 7, 2024 Kingscrest Energy Inc./Kingscrest Acquisition Corp. (collectively, "Kingscrest") terminated negotiations with Third Eye Capital Corporation in respect of Erikson National Energy Inc. ("Erikson"). Kingscrest's Board of Advisors noted that it had lost confidence in Third Eye Capital's willingness to close any such transaction in a timely manner and the company was not prepared to spend any more resources on the opportunity.

Kingscrest understands that the British Columbia Energy Regulator ("BCER") has made an application (the "Application") to the Court of King's Bench of Alberta for the appointment of a receiver and manager (the "Receiver") over all of the assets, undertakings and properties of Erikson. Kingscrest advises that it would be open to discussing with the BCER the possibility of acquiring certain of the oil and gas properties/facilities of Erikson from the Receiver noting:

1. in the context of its discussions with Third Eye Capital, Kingscrest has (with the knowledge of all parties) previously engaged with the BCER to establish a proposed breakdown of assets and related liability measures that would minimize impacts to the orphan well program while being commercially reasonable, and which we understand would be acceptable in principle to the BCER;
2. Kingscrest has discussed its short- and long-term business intentions with and received a letter of support from Deh Tai Limited Partnership, the economic development entity of the Fort Nelson First Nations;

3. Kingscrest's business plans include a number of initiatives designed to support and foster the local community; and
4. Kingscrest has engaged with the field personnel of Erikson (during its due diligence ) and believes that it has their support for the proposed project.

However, and notwithstanding the foregoing, Kingscrest has a very limited time in which to transact. It's business model requires access to the properties and facilities in the very short term to allow it to install its needed infrastructure prior to the temperatures falling much further. Winter temperatures would impede the construction and assembly of the project's components.

Kingscrest advises that if the timing noted above can be met, it would be willing to work with the BCER to consummate a transaction in respect of the Erikson assets and on closing, would pay out any outstanding costs and expenses of the BCER and the Receiver that are secured by court ordered charges granted in the Receivership proceedings.

If you have any questions in respect of the above, or would like to discuss anything herein, please feel free to contact me at your convenience.

Yours truly,



Darrell Peterson