Form 49 [Rule 13.19]

B301-135903 COURT FILE NUMBER 25-3135903

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c.

B-3, as amended

AND IN THE MATTER OF ERIKSON

NATIONAL ENERGY INC.

DOCUMENT AFFIDAVIT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Ministry of the Attorney General (British Columbia)

Legal Services Branch, Ministry of Attorney General

PO Box 9280 Stn Prov Govt Victoria, BC, V8W 9J7

Attention: Aaron Welch/Andrea Glen

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## **AFFIDAVIT #1 OF CHRIS PASZTOR**

## Affirmed on January 21, 2025

I, Chris Pasztor, Executive Director of Tenure and Resource Stewardship in the British Columbia Ministry of Energy and Climate Solutions, AFFIRM AND SAY THAT:

- 1. I am employed by His Majesty the King in right of the Province of British Columbia ("Province") as the Executive Director of the Tenure and Resource Stewardship Branch of the Ministry of Energy and Climate Solutions. As such, I have personal knowledge of the matters herein referred to, except where indicated to be on information and belief, and where so stated I believe them to be true.
- 2. As the Executive Director of the Tenure and Resource Stewardship Branch, I am responsible for providing strategic leadership and direction regarding the disposition and administration of the Province's oil and gas, geothermal, and storage titles (those interests are commonly referred to as "tenure"). This involves overseeing several program areas focused on disposing and administering tenure, collecting tenure revenue, providing referral and consultation services, providing geological services and negotiating and mitigating resource and tenure access issues. All dispositions, transfers, expirations and cancellations of tenures under British Columbia's *Petroleum and Natural Gas Act* are administered through my office.
- 3. In or about 2019, Erikson National Energy Inc. ("Erikson") acquired over 200 oil and gas leases (a type of tenure under the *Petroleum and Natural Gas Act*) administered by the Tenure and Resource Stewardship Branch. Oil and gas lease holders must pay rent annually to the Province. If rent is not paid, the lease will expire. Between 2019 and 2022, 38 of Erikson's leases expired for non-payment of rent. In



2023, another 152 of Erikson's leases expired for non-payment of rent. In 2024, an additional 3 of Erikson's leases expired for non-payment of rent.

- 4. Under section 117.1 of the *Petroleum and Natural Gas Act*, the Minister of Energy and Climate Solutions has discretion to transfer a lease to a person who wants to acquire it, so long as the conditions laid out in that section are met. Administratively, for the minister to consider a transfer request under section 117.1, a proponent would first have to submit a transfer request to the Tenure and Resource Stewardship Branch.
- 5. Once the Tenure and Resource Stewardship Branch receives a transfer request under section 117.1 for one or more leases, branch staff would run several tenure related analyses to determine if the requested leases are available and if the disposition of those leases is aligned with government policies and agreements with First Nations, which could impact the availability of the leases for transfer. Once complete, staff would then determine a recommended price/hectare, and subsequently develop a referral package containing all the lease related information (e.g., zones, price/hectare, location, terms, conditions) to engage with local governments and provincial agencies. The Province, through the Tenure and Resource Stewardship Branch, also has the obligation to consult with First Nations on whose territories the tenures are located. After the engagement and consultation period is closed, staff would prepare a decision package to assist the minister in making a determination under section 117.1. I anticipate this process would take at least several weeks.
- 6. In November and December 2024, I had approximately three phone conversations with someone named Eric Gallie who stated he works for Gryphon Digital Mining Inc., which I understand is a potential purchaser of Erikson's assets, and which may wish to acquire oil and gas leases previously held by Erikson. In those calls, I advised Eric Gallie that the Minister of Energy and Climate Solutions has discretion to transfer a lease to a person who wants to acquire it, so long as the conditions in section 117.1 are met. I also advised Eric Gallie that to make a transfer request under section 117.1, Gryphon Digital Mining Inc. would need to provide the Tenure and Resource Stewardship Branch with a request to acquire Erikson's expired oil and gas tenures, along with a list of the specific oil and gas leases associated with that transfer request. I requested the list of leases be provided as soon as possible so we could start the process to analyze the implications of the requested transfers.
- 7. I have not heard anything further from representatives of Gryphon Digital Mining Inc., since my last call with Eric Gallie in late December 2024, nor has the Tenure and Resource Stewardship Branch received any requests in relation to transferring leases to Gryphon Digital Mining Inc.

AFFIRMED BEFORE ME at Victoria, British Columbia this 21st day of January, 2025.

Commissioner for Oaths in and for the Province Of British Columbia

Chris Pasztor

Andrea K. Glen
Barrister and Solicitor
Ministry of Attorney General
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