

COURT FILE NUMBER 1801-06866

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT ATB FINANCIAL

RESPONDENTS MUSTANG WELL SERVICES LTD., KKSER ENTERPRISES LTD., COMPLETE OILFIELD MANUFACTURING INC., REACTION OILFIELD SUPPLY (2012) LTD., and MRBD LTD.

DOCUMENT **ORDER APPROVING INTERIM DISTRIBUTION, AUCTION AGREEMENT AND ACTIONS OF RECEIVER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
 Cassels Brock & Blackwell LLP
 Suite 3810, Bankers Hall West
 888 3rd Street SW
 Calgary, Alberta, T2P 5C5
 Telephone 403-351-2921
 Facsimile 403-648-1151



I hereby certify this to be a true copy of the original Order
 Dated this 5 day of Sept

 for Clerk of the Court

File No. 45306-7

Attention: Jeffrey Oliver/Danielle Marechal

DATE ON WHICH ORDER WAS PRONOUNCED: September 5, 2018

LOCATION OF HEARING: Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Madam Justice M.H. Hollins

UPON THE APPLICATION of FTI Consulting Canada Inc. in its capacity as receiver and manager (in such capacity, the "**Receiver**") of the assets, undertakings and properties of Mustang Well Services Ltd., KKSER Enterprises Ltd. ("**KKSER**"), Complete Oilfield Manufacturing Inc., Reaction Oilfield Supply (2012) Ltd., and MRBD Ltd. (collectively, the "**Debtors**") for an Order, among other things, (i) approving an auction services agreement dated September 5, 2018 between Tiger Capital Group, LLC (the "**Auctioneer**") and the Receiver (the "**Auction Agreement**"), a copy of which is attached to the First Report of the Receiver dated August 27, 2018 (the "**First Report**") as confidential Appendix "D"; (ii) authorizing the Auctioneer to conduct an auction in accordance with the terms of the Auction Agreement (the "**Auction**"); and (iii)

vesting in each purchaser at such Auction (each, a "**Purchaser**"), the Debtors' right, title and interest in and to the property purchased by such Purchaser at the Auction (in each case, the "**Purchased Assets**"), free and clear of any claims and encumbrances; **AND UPON HAVING READ** the Receivership Order granted by the Honourable Justice A.D. Macleod on May 17, 2018 (the "**Receivership Order**"), the First Report, confidential Appendices "B" through "D" to the First Report, the Approval and Vesting Order granted by the Honourable Madam Justice M.H. Hollins on September 5, 2018 (the "**Vesting Order**") and the Affidavits of Service of Richard Comstock, sworn August 30, September 4 and September 5, 2018; **AND UPON NOTING** that the sale of two parcels of real property (collectively, the "**KKSR Lands**") with the following legal descriptions have been approved pursuant to the Receivership Order and the Vesting Order, respectively: (i) Plan 1323928 Block 1 Lot 9 ("**KKSR Building #1**"); and (ii) Plan 9922651 Lot 3 ("**KKSR Building #2**"); **AND UPON** hearing from counsel for the Receiver, and such other counsel as are present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

Interim Distribution

2. The mortgage dated October 15, 2013 (the "**Mortgage**") in the principal sum of \$2,800,000 between Alberta Treasury Branches, now ATB Financial ("**ATB**"), as mortgagee and KKSR as mortgagor, which Mortgage was registered against the KKSR Lands, is valid and enforceable.
3. The Receiver is hereby authorized and empowered to distribute:
 - (a) the amount of the unpaid property tax arrears owing on KKSR Building #2 (the "**Property Tax Arrears**"), to Camrose County;
 - (b) the amount of the net sale proceeds currently held by the Receiver from the sale of KKSR Building #1, to ATB; and

- (c) the net sale proceeds allocated to KKSR Building #2 (which allocation shall be determined in accordance with the Sale Agreement, as that term is defined in the Vesting Order), less any applicable Property Tax Arrears, held by the Receiver from the sale of KKSR Building #2, to ATB.

Approval of Auction Agreement

4. The execution by the Receiver of the Auction Agreement is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Auction.

5. Upon:

- (a) the Auctioneer completing a sale to a Purchaser at the Auction of one or more Purchased Assets;
- (b) receipt by the Auctioneer from such Purchaser of the purchase price determined at the Auction; and
- (c) delivery by the Auctioneer to such Purchaser of a bill of sale or similar evidence of purchase and sale (each, a "**Purchaser's Bill of Sale**"),

(each an "**Auction Transaction**" and collectively, the "**Auction Transactions**")

all of the Debtors' right, title and interest in and to the Purchased Assets purchased by such Purchaser at the Auction and described in such Purchaser's Bill of Sale shall vest absolutely in the name of such Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (d) any encumbrances or charges created by the Receivership Order; and

- (e) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

and, for greater certainty, this Court orders that all of the encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

6. From and after the closing of each of the Auction Transactions (including the payment of the purchase price by the Purchaser to the Auctioneer), the Receiver or the Auctioneer are authorized to discharge from the Personal Property Registry any claim registered against any of the Personal Property being purchased by the Purchaser, to the extent the security interest is registered against the interest of the Debtors.
7. Upon the completion of all of the Auction Transactions to the satisfaction of the Receiver, the Receiver shall file a certificate substantially in the form attached hereto as Schedule "A" certifying that the Auction Transactions have closed.
8. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets at the Auction (to be held in a trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Purchaser's Bill of Sale all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to their sale at Auction, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
9. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Auction Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtors.
10. The Debtors and all persons who claim by, through or under the Debtors in respect of the Purchased Assets, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the

Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtors, or any person claiming by or through or against the Debtors.
12. Notwithstanding:
 - (a) the pendency of these proceedings;
 - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made in respect of the Debtors

the vesting of each of the Purchased Assets in its respective Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 as 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 or to assist the Receiver and its agents in carrying out the terms of this Order.

Approval of Actions of Receiver

14. The activities of the Receiver, as described in the First Report, are hereby ratified and approved.
15. This Order must be served only upon those interested parties attending or presented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
16. Service of this Order on any party not attending this application is hereby dispensed with.



J.C.Q.B.A.

Schedule "A"
Form of Receiver's Certificate

COURT FILE NO.: 1801-06866

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF
MUSTANG WELL SERVICES LTD., KKS
R ENTERPRISES LTD., COMPLETE OILFIELD
MANUFACTURING INC., REACTION OILFIELD
SUPPLY (2012) LTD. and MRBD LTD.

APPLICANT ATB FINANCIAL

RESPONDENTS MUSTANG WELL SERVICES LTD., KKS
R ENTERPRISES LTD., COMPLETE OILFIELD
MANUFACTURING INC., REACTION OILFIELD
SUPPLY (2012) LTD. and MRBD LTD.

DOCUMENT **RECEIVER'S CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Cassels Brock & Blackwell LLP
Suite 3810, 888 3rd Street SW
Calgary, Alberta T2P 5C5
Telephone: (403) 351-2921
Facsimile: (403) 648-1151
File No.45306-7

Clerk's Stamp

Attention: Jeffrey L. Oliver/Danielle Marechal

RECITALS

- A. Pursuant to an Order of the Honourable Justice A.D. MacLeod of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated May 17, 2018, FTI Consulting Canada Inc. ("**FTI**") was appointed as the receiver (in such capacity, the "**Receiver**") of the undertaking, property and assets of Mustang Well Services Ltd., KKS R Enterprises Ltd., Complete Oilfield Manufacturing Inc., Reaction Oilfield Supply (2012) Ltd. and MRBD Ltd. (collectively, the "**Debtors**").

- B. Pursuant to an Order of the Court dated September 5, 2018, the Court approved the auction services agreement made as of September 5, 2018 (the "**Auction Agreement**") between the Receiver and Tiger Capital Group, LLC pursuant to which one or more auction transactions may be completed (the "**Auction Transactions**")
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Auction Agreement.

THE RECEIVER CERTIFIES the following:

1. The Auction Transactions have been completed to the satisfaction of the Receiver.
2. This Certificate was delivered by the Receiver at [●Time] on [●Date].

FTI Consulting Canada Inc., in its capacity as Receiver of the undertaking, property and assets of Mustang Well Services Ltd., KKSER Enterprises Ltd., Complete Oilfield Manufacturing Inc., Reaction Oilfield Supply (2012) Ltd. and MRBD Ltd., and not in its personal capacity.

Per; _____

Name:

Title: