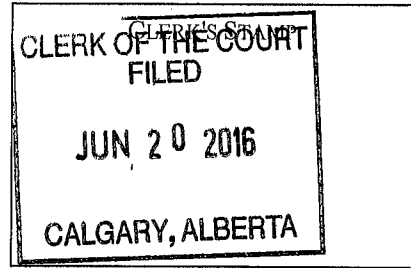


FORM 27  
[RULES 6.3 AND 10.52(1)]



COURT FILE NUMBER 1601-01675

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

**AND IN THE MATTER OF A PLAN OF  
ARRANGEMENT OF ARGENT ENERGY  
TRUST, ARGENT ENERGY (CANADA)  
HOLDINGS INC. and ARGENT ENERGY (US)  
HOLDINGS INC.**

DOCUMENT **APPLICATION (STAY EXTENSION AND  
OTHER RELIEF)**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 - 2nd Street SW  
Calgary, Alberta T2P 4K7

Attention: Kelsey Meyer/Sean Zweig  
Telephone No.: 403-298-3323/416-777-6254  
Fax No.: 403-265-7219/ 416-863-1716  
Client File No.: 68859.14

**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 master/judge.

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

Date: Monday, June 27, 2016  
Time: 9:00 a.m.

Where: Calgary Court Centre  
601 - 5th Street SW  
Calgary Alberta  
Before Whom: The Honourable Mr. Justice D. B. Nixon

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. If necessary, an Order abridging the time for service of this Application and supporting materials and declaring service to be good and sufficient;
2. An Order extending the stay of proceedings, as ordered and defined in paragraph 2 of the Initial Order filed February 17, 2016 and as extended pursuant to the Order (Stay Extension) granted herein on May 5, 2016, to August 31, 2016;
3. An Order approving the Monitor's proposed distribution of the net proceeds of the Transaction to the Syndicate in accordance with the Order (Interim Distribution); and
4. An Order granting enhanced powers to the Monitor with respect to Argent Energy Trust (the "**Trust**") and directing the Monitor to assign the Trust into bankruptcy at such time as the Monitor deems appropriate.

all in substantially the form of the proposed Order attached hereto as Schedule "A"; and

5. Such further and other relief, advice and directions as counsel may request and this Honourable Court may deem appropriate in the circumstances.

**Grounds for making this application:**

***Stay Extension***

6. On May 5, 2016, the Honourable Mr. Justice D. B. Nixon of this Honourable Court granted an Order extending the stay of proceedings until and including June 30, 2016 (the "**Stay Period**").
7. Since the granting of the Order (Stay Extension) on May 5, 2016, the Trust, Argent Energy (US) Holdings Inc. ("**Argent US**"), and Argent Energy (Canada) Holdings Inc. ("**Argent Canada**", and together with the Trust and Argent US, "**Argent**" or "**the**

**Applicants**") have taken the following steps to advance the restructuring, including but not limited to:

- (a) Cooperating with the Monitor to facilitate its monitoring of the Applicants' business and operations;
- (b) Communicating with various stakeholder groups and/or their advisors, including the Syndicate, critical suppliers, trade creditors, employees, contractors and others;
- (c) Liaising with US counsel and appearing in the U.S. Bankruptcy Court regarding the Chapter 15 Proceedings in respect of Argent Canada and Argent US;
- (d) Obtaining an Order from the U.S. Bankruptcy Court which recognized the approval of the Transaction and the Sale Agreement;
- (e) Working with the Monitor, Oil & Gas Asset Clearinghouse, LLC ("**OGAC**"), and BXP Partners IV, L.P. ("**BXP**") to close the Transaction and the Sale Agreement as between Argent US and BXP (the Transaction closed on May 20, 2016; the Applicants have been working with the Monitor, OGAC and BXP on post-closing matters since that time);
- (f) Working with the Monitor with respect to distributions of the net proceeds of the sale from the Transaction, in accordance with the Order (Interim Distribution) granted herein and filed on May 10, 2016, including working with the Monitor to distribute the KERP and KEIP to employees of Argent;
- (g) Working with the Monitor and potential lien claimants to determine the validity, priority and amounts of the liens as set out in Schedule "B" of the Order (Interim Distribution);
- (h) Working with the Monitor and with parties to contracts with Argent US regarding the assumption and assignments of the contracts assumed by and assigned to BXP from Argent US pursuant to the Sale Agreement and the Order of the U.S. Bankruptcy Court, and in distributing cure costs in relation to the same;

- (i) Working with the Monitor and potential tax claimants to determine the validity, priority and amounts of certain secured tax claims asserted against Argent US;
  - (j) Working with the Monitor with respect to winding down Argent US, the CCAA Proceedings and the Chapter 15 Proceedings; and
  - (k) Continuing to operate and manage Argent's business, subject to the terms of the Amended and Restated Initial Order and the other Orders granted in the CCAA Proceedings and the Chapter 15 Proceedings.
8. The wind-down of the CCAA Proceedings and the Chapter 15 Proceedings will require that:
- (a) Argent and the Monitor carry out the process for dealing with the Statement of Adjustments as set out in the Sale Agreement between Argent US and BXP;
  - (b) that changes in operatorship of assets that were held by Argent US in Wyoming, now sold to BXP, be processed; and
  - (c) that applications made on behalf of Argent US for tax refunds be processed by the relevant U.S. tax authorities.
9. An extension of the stay of proceedings to August 31, 2016 will permit Argent and the Monitor to carry out the Statement of Adjustments process and the change of operatorship with respect to the Wyoming assets. It is anticipated that the applications for tax refunds will be processed by the taxing authorities within the next several months.
10. The Applicants are working in good faith and with due diligence in these proceedings, it is in the best interest of the Applicants and all other stakeholders that the Stay Period be extended, and it is appropriate in the circumstances to so order.
11. The Monitor supports the Application for the requested extension of the Stay Period and the remainder of the relief being sought herein.

***Enhanced Powers of the Monitor***

12. The estate of Argent is largely liquidated. The Syndicate faces a deficiency on its security. As of June 30, 2016, the majority of the employees of Argent will have resigned, or their employment will have been terminated, and the directors of Argent Energy Ltd. (the administrator of the Trust) will have resigned. Argent accordingly seeks an Order granting the Monitor enhanced powers with respect to the Trust, effective June 30, 2016.
13. It is Argent's intent that Argent will be assigned into bankruptcy as at the time of termination of the CCAA proceedings. As such, Argent seeks an Order directing the Monitor to bankrupt the Trust at that time.

***Distribution of Net Proceeds of Sale***

14. The Monitor has completed its review of the security of the Syndicate over the assets of Argent. The Monitor (with the assistance of its Canadian and U.S. counsel) has determined that the assets of Argent are secured in favour of the Syndicate pursuant to the Syndicate's pre-filing security, and/or pursuant to the Interim Financing Charge approved by this Honourable Court pursuant to the Initial Order and the Amended and Restated Initial Order. The Monitor proposes to distribute the net proceeds of sale from the Transaction to the Syndicate in accordance with the Order (Interim Distribution) filed May 10, 2016.

***Miscellaneous***

15. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

16. The pleadings and proceedings filed in this Action.
17. The Third Report of the Monitor, to be filed.
18. The Affidavit No. 4 of Sean Bovingdon sworn June 17, 2016, to be filed.

19. The Brief of the Applicants, to be filed.
20. Such further and other materials as counsel may advise and this Honourable Court may permit.

**Applicable rules:**

21. None.

**Applicable Acts and regulations:**

22. The *Companies' Creditors Arrangement Act* R.S.C 1985 c. C-36, as amended (the "CCAA").

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

23. None.

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

24. Before the Honourable Mr. Justice D. B. Nixon, in an application in Justice Chambers, as scheduled.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes.

If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

CLERK'S STAMP

**SCHEDULE "A"**

COURT FILE NUMBER

1601-01675

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANTS

**IN THE MATTER OF THE *COMPANIES'*  
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(US) HOLDINGS INC.**

DOCUMENT

**ORDER (STAY EXTENSION AND OTHER  
RELIEF)**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500 Bankers Hall East  
855 – 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 4K7

Attention: Kelsey Meyer / Sean Zweig  
Telephone No.: 403.298.3323 / 416.777.6254  
Fax No.: 403.265.7219 / 416.863.1716  
Client File No.: 68859.14

**DATE ON WHICH ORDER WAS  
PRONOUNCED:**

**Monday, June 27, 2016**

**LOCATION WHERE ORDER WAS  
PRONOUNCED:**

**Calgary Courts Centre**

**NAME OF JUSTICE  
WHO MADE THIS ORDER:**

**The Honourable Mr. Justice D.B. Nixon**

**UPON** the application of Argent Energy Trust (the "Trust"), Argent Energy (Canada) Holdings Inc. ("Argent Canada"), and Argent Energy (US) Holdings Inc. ("Argent US", and together with the Trust and Argent Canada, the "Applicants" or "Argent"); **AND UPON** having read the Application, the Affidavit No. 4 of Sean Bovingdon sworn June 17, 2016 (the "Bovingdon Affidavit No. 4"), the Third Report of FTI Consulting Canada Inc., the Court-appointed Monitor of the Applicants (the "Monitor"), and the Brief of the Applicants, all filed; **AND UPON** hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Syndicate (as defined in the Affidavit of Sean Bovingdon sworn February 16, 2016), and counsel for other interested parties;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

1. Service of this Application and supporting documents is hereby declared to be good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this Application.
2. Capitalized terms not otherwise defined herein shall have the meanings as defined in the Affidavits of Sean Bovingdon sworn and filed in these proceedings.

**Stay Extension**

3. The Stay Period as ordered and defined in paragraph 2 of the Initial Order filed February 17, 2016 and as extended pursuant to the Order (Stay Extension) granted on May 6, 2016, is hereby extended until and including August 31, 2016.

**Distribution of Net Proceeds of the Transaction**

4. The Monitor's proposed distribution of the net proceeds of the Transaction that are attributable to the rolling stock and the leasehold interests of Argent US to the Syndicate, in accordance with the Order (Interim Distribution) granted herein on May 10, 2016, are hereby approved.



**Expansion of the Monitor's Powers With Respect to the Trust**

5. The expansion of the Monitor's powers in respect of the Trust as set forth below is hereby authorized and approved, effective June 30, 2016, on the terms and conditions set out herein. Nothing in this Order shall derogate from the powers of the Monitor as provided for in the Initial Order or the CCAA.
  
6. In addition to the powers and duties of the Monitor set out in the Initial Order and the CCAA, and without altering in any way the limitations and obligations of the Trust as a result of these proceedings, the Monitor be and is hereby authorized and empowered to:
  - (a) preserve, protect and maintain control of the property of the Trust (the "Property"), or any parts thereof;
  - (b) oversee and direct the preparation of cash flow statements and to assist in the dissemination of financial and other information in these proceedings with respect to the Trust;
  - (c) receive, collect and take possession of all monies and accounts now owed or hereafter owing to the Trust, including proceeds payable pursuant to a sale of Property;
  - (d) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Monitor's name or in the name and on behalf of the Trust;
  - (e) exercise any rights which Argent Energy Ltd. may have in its role as the administrator of the Trust;
  - (f) provide instruction and direction to the advisors of the Trust;
  - (g) make any distribution or payments by the Trust required under any Order in these proceedings;
  - (h) assign the Trust into bankruptcy; and

- (i) to perform such other duties or take any steps reasonably incidental to the exercise of such powers and obligations conferred upon the Monitor by this Order or any further Order of this Court.
7. The Monitor is directed to assign the Trust into bankruptcy at such time as the Monitor deems appropriate.
8. No provision in this Order is intended to appoint the Monitor as an officer, director or employee of the Trust. Additionally, nothing in this Order shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator, receiver and manager or trustee of the Trust and that any distribution made to creditors of the Trust will be deemed to have been made by the Trust.
9. The Monitor shall continue to have the benefit of all of the protections and priorities as set out in the Initial Order and the CCAA, and any such protections and priorities shall apply to the Monitor in fulfilling its duties under this Order or in carrying out the provisions of this Order.

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The Honourable Mr. Justice B. Nixon  
J.C.C.Q.B.A.