

COURT FILE NUMBER 1901-16293
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PROCEEDINGS IN THE MATTER OF THE RECEIVERSHIP OF
EAGLE ENERGY INC., EAGLE ENERGY
TRUST, EAGLE ENERGY HOLDINGS INC.,
and EAGLE HYDROCARBONS INC.

APPLICANT FTI CONSULTING CANADA INC., in its capacity
as Court-appointed Receiver of the current and
future assets, undertakings and properties of
Eagle Energy Inc., Eagle Energy Trust, Eagle
Energy Holdings Inc. and Eagle Hydrocarbons
Inc.

DOCUMENT **AMENDED APPLICATION**
**(Sale of Eagle Hydrocarbons Inc. Assets to
White Oak Global Advisors LLC)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2 CANADA

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Lawyers for FTI Consulting Canada Inc., in its capacity as Court-
appointed Receiver of the current and future assets, undertakings
and properties of Eagle Energy Inc., Eagle Energy Trust, Eagle
Energy Holdings Inc., and Eagle Hydrocarbons Inc.
File no.: 1001023920

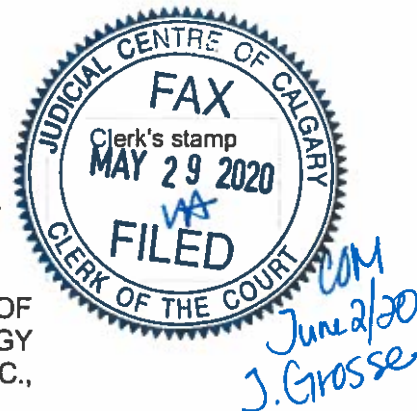
NOTICE TO THE RESPONDENTS

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

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

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

Date:	May 14, 2020 <u>June 2, 2020</u>
Time:	2:00
Where:	Calgary Courts Centre
Before Whom:	The Honourable Madam Justice B.E.C. Romaine <u>A.D. Grosse</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 FTI Consulting Canada Inc. (the **Receiver**), in its capacity as Court-appointed receiver and manager of the current and future assets, undertakings and properties of Eagle Energy Inc., Eagle Energy Trust, Eagle Energy Holdings Inc., and Eagle Hydrocarbons Inc. (**Hydrocarbons**) (Eagle Energy Inc., Eagle Energy Trust, Eagle Energy Holdings Inc., and Hydrocarbons, collectively, the **Debtors**) seeks the following relief:
 - a. Abridging, if necessary, the time for service of this Application and supporting materials, and declaring the service of same to be good and sufficient.
 - b. An Order, substantially in the form attached hereto as **Schedule "A"**, that approves of the sale process, the Receiver's receipts and disbursements for the period from November 19, 2019 to April 30, 2020, and all actions of the Receiver to date, as outlined in the Receiver's Second Report and Supplemental Report; and
 - c. An Order, substantially in the form attached hereto as **Schedule "B"**, and that approves the sale of certain of Hydrocarbons' oil and gas assets (the **Purchased Assets**) to Aguila Energy, LLC (**Aguila**), a nominee of White Oak Global Advisors LLC (**White Oak**), pursuant to the terms of a Sale Agreement between the Receiver and ~~White Oak~~ Aguila (the **Sale Agreement**), vesting Hydrocarbons' right, title and interest in the Assets, and authorizing an interim distribution of the net sale proceeds. A blackline of **Schedule "A"** against the Alberta Template Approval and Vesting Order is attached hereto as **Schedule "C"**.

Grounds for making this application:

- 2 On November 19, 2019, FTI Consulting Canada Inc. was appointed as Receiver over the current and future assets, undertakings and properties of the Debtors, pursuant to a Receivership Order (the **Receivership Order**) granted by the Honourable Justice R.A. Neufeld of this Court.
- 3 On November 22, 2019 and December 5, 2019, the United States Bankruptcy Court for the Northern District of Texas Dallas Division (the **US Bankruptcy Court**) granted a temporary restraining order and certain relief pursuant to chapter 15 of title 11 of the United States Code (the **US Bankruptcy Code**), respectively, and the proceedings contemplated by the Receivership Order were recognized as the "foreign main proceeding" pursuant to the US Bankruptcy Code.

- 4 On February 19, 2020, the Court approved the terms of a dual-track sale process taking place in Canada and the United States (the **Sale Process**), as set out in Appendix “A” to the Receiver’s First Report, by Order of the Honourable Justice K.M. Eidsvik (**Sale Process Order**).
- 5 On February 24, 2020, the US Bankruptcy Court granted an order approving of the Sale Process.
- 6 The Sale Process commenced immediately upon approval by this Court and the US Bankruptcy Court. In the United States, Sale Process materials were provided to 30,000 prospective bidders. Of these, 1,158 prospective bidder profiles viewed the virtual data room for the purposes of completing due diligence. 14 non-binding offers were received from 14 prospective purchasers, including White Oak Global Advisors LLC (**White Oak**), with respect to the Purchased Assets.
- 7 The Receiver received a binding Phase 2 Bid from White Oak respecting the Assets, and the ~~parties are in the process of finalizing~~ the Receiver and Aguila executed the Sale Agreement. The Receiver also received a binding Phase 2 Bid from White Oak respecting Eagle Energy Inc., which contemplates, among other things, an Arrangement Agreement and Plan of Arrangement, which contemplate the Receiver filing a Division 1 Proposal under the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3. The Receiver has since executed the Arrangement Agreement with a nominee of White Oak, EEI Holdco, LLC.
- 8 The Receiver believes that approval of the Sale Agreement and the transaction contemplated therein (the **Transaction**) is in the best interest of all stakeholders for the following reasons:
- a. the Sale Agreement arose from the Sale Process, as implemented by the Receiver and EnergyNet.Inc, its sale agent (the **Sale Agent**);
 - b. the Receiver believes that the Sale Agent acted in good faith and with due diligence in meeting the milestones of the Sale Process and soliciting bids;
 - c. there was a broad marketing of the assets to a large number of prospective purchasers over a reasonable time frame;
 - d. the Receiver believes the Transaction was negotiated between the parties at arm’s length and in good faith and is commercially reasonable;
 - e. the Transaction is supported by the Debtors’ senior secured lender, White Oak, who is also the purchaser; and
 - f. the Receiver determined that the offer submitted by White Oak was the highest and best offer for the Assets.

9 The Receiver's summary of Receipts and Disbursements is set out in the Second Report and include those receipts and disbursements associated with operations during the November 19, 2019 to April 30, 2020 period, as well as legal and professional fees associated with the Sale Process and ongoing management of the Receivership.

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

Material or Evidence to be relied on:

11 The Receivership Order;

12 the Second Report and Supplemental Report of the Receiver; and

13 such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

14 Rules 6.3(1), 6.9(1), and 6.28-6.36 of the Alberta *Rules of Court*, Alta. Reg. 124/2010.

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

Applicable Acts and regulations:

16 The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

17 Such further and other Acts and regulations as counsel may advise and this Honourable may permit.

Any irregularity complained of or objection relied on:

18 There are no irregularities complained of or objections relied on.

How the application is proposed to be heard or considered:

19 Oral submissions by counsel.

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 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 heard or considered.

Schedule “A”: Approval of Activities, Receipts and Disbursements

COURT FILE NUMBER 1901-16293
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's stamp

PROCEEDINGS IN THE MATTER OF THE RECEIVERSHIP OF
EAGLE ENERGY INC., EAGLE ENERGY
TRUST, EAGLE ENERGY HOLDINGS INC.,
and EAGLE HYDROCARBONS INC.

APPLICANT FTI CONSULTING CANADA INC., in its
capacity as Court-appointed Receiver of the
current and future assets, undertakings and
properties of Eagle Energy Inc., Eagle Energy
Trust, Eagle Energy Holdings Inc. and Eagle
Hydrocarbons Inc.

DOCUMENT **ORDER**
(Approval re: Receipts & Disbursements)

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
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Lawyers for FTI Consulting Canada Inc., in its capacity as
Court-appointed Receiver of the current and future assets,
undertakings and properties of Eagle Energy Inc., Eagle
Energy Trust, Eagle Energy Holdings Inc., and Eagle
Hydrocarbons Inc.
File no.: 1001023920

DATE ON WHICH ORDER WAS PRONOUNCED: June 2, 2020

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice Grosse

LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION of FTI Consulting Canada Inc., in its capacity as Court-appointed
Receiver (the **Receiver**) of the current and future assets, undertakings and properties of
Eagle Energy Inc., Eagle Energy Trust, Eagle Energy Holdings Inc., and Eagle Hydrocarbons

Inc. (the **Debtors**), filed May 12, 2020, as amended on May 29, 2020 (collectively, the **Application**);

AND UPON HAVING READ the Receivership Order granted by the Honourable Justice R.A. Neufeld and dated November 19, 2019 (the **Receivership Order**), the Receiver's Second Report, filed May 12, 2020, and the Supplemental Report, filed, and the Affidavit of Service, filed;

AND UPON HEARING the submissions of counsel for the Receiver and any other interested parties that may be present;

IT IS HEREBY ORDERED THAT:

Service

1. The time for service of the Application and all supporting materials is hereby abridged, if necessary, no other persons are required to have been served, and the Application is properly returnable before this Honourable Court today.
2. This order shall be served on those interested parties who attended or were represented at the hearing of the Application, and service may be effected by facsimile, electronic mail, personal delivery or courier. Service of this order on any person not attending this hearing of the Application is hereby dispensed with.

Approval of Actions, Receipts and Disbursements, and Fees

3. The Second and Supplemental Reports of the Receiver and the actions taken by the Receiver as described therein are hereby approved.
4. The Receiver's receipts and disbursements for the period November 19, 2020 to April 30, 2020 are hereby approved.
5. The fees and expenditures of the Receiver and Receiver's legal counsel for the period November 19, 2020 to April 30, 2020 are hereby approved.

The Proposal

6. The Receiver shall be at liberty to return in due course to the Commercial List of this Court for approval of the Division I Proposal under the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as described in the Second and Supplemental Reports.

Justice of the Court of Queen's Bench of Alberta

Schedule “B”: Sale Approval and Vesting Order

COURT FILE NUMBER 1901-16293
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PROCEEDINGS IN THE MATTER OF THE RECEIVERSHIP OF
EAGLE ENERGY INC., EAGLE ENERGY
TRUST, EAGLE ENERGY HOLDINGS INC.,
and EAGLE HYDROCARBONS INC.
APPLICANT FTI CONSULTING CANADA INC., in its capacity
as Court-appointed Receiver of the current and
future assets, undertakings and properties of
Eagle Energy Inc., Eagle Energy Trust, Eagle
Energy Holdings Inc. and Eagle Hydrocarbons
Inc.
DOCUMENT **SALE APPROVAL AND VESTING ORDER**
(Sale by Receiver)



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2 CANADA
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Lawyers for FTI Consulting Canada Inc., in its capacity as Court-appointed Receiver of the current and future assets, undertakings and properties of Eagle Energy Inc., Eagle Energy Trust, Eagle Energy Holdings Inc., and Eagle Hydrocarbons Inc.
File no.: 1001023920

DATE ON WHICH ORDER WAS PRONOUNCED: June 2, 2020
NAME OF JUDGE WHO MADE THIS ORDER: the Honourable Justice Grosse
LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION of FTI Consulting Canada Inc., in its capacity as Court-appointed Receiver (the **Receiver**) of the current and future assets, undertakings and properties of Eagle Energy Inc., Eagle Energy Trust, Eagle Energy Holdings Inc., and Eagle Hydrocarbons Inc. (**EHI** and together with Eagle Energy Inc., Eagle Energy Trust, and Eagle Energy Holdings Inc., the **Debtors**) for an order approving the sale transaction (the **Transaction**) contemplated by an agreement of purchase and sale (the **Sale Agreement**) between the Receiver and Aguila Energy, LLC (the **Purchaser**), a copy of which is appended

to the Supplement to the Receiver's Second Report, filed May 29, 2020 (the **Supplemental Report**), and vesting in the Purchaser (or its nominee) EHI's right, title and interest in and to the assets described in the Sale Agreement (the **Assets**);

AND UPON HAVING READ the Receivership Order granted by the Honourable Justice R.A. Neufeld and dated November 19, 2019 (the **Receivership Order**), the Receiver's Second Report, filed May 12, 2020, the Supplemental Report, and the Affidavit of Service, filed;

AND UPON HEARING the submissions of counsel for the Receiver and the Purchaser and any other interested parties that may be present;

AND UPON IT APPEARING that service has been effected;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, 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.
2. Unless otherwise defined in this Order, all capitalized terms used in this Order shall have the meanings given to them in the Sale Agreement.

APPROVAL OF TRANSACTION

3. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver 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 completion of the Transaction and conveyance of the Assets to the Purchaser (or its nominee).
4. The Debtors and the Receiver are each authorized and directed to take all such steps, perform, consummate, implement, execute and deliver all such conveyance documents, bills of sale, assignments, conveyances, transfers, deeds, representations, indicia of title, tax elections, documents and instruments of whatsoever nature or kind as may be reasonably necessary or desirable to consummate the Transaction in accordance with the terms of the Sale Agreement.
5. The Transaction and Sale Agreement are commercially reasonable and in the best interest of the Debtors and their Stakeholders.

VESTING OF PROPERTY

6. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the **Receiver's Certificate**), all of the EHI's right, title and interest in and to the Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, **Claims**) including, without limiting the generality of the foregoing:
- (a) any encumbrances or charges created by the Receivership Order;
 - (b) any charges, liens, security interests or claims, whether evidenced by registrations pursuant to the Uniform Commercial Code (United States) or any other personal, mineral or real property registry system, or otherwise;
 - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
 - (d) those Claims listed in **Schedule "B"** hereto
- (all of which are collectively referred to as the **Encumbrances**), all Claims, including Encumbrances other than the encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "C"** (the **Permitted Encumbrances**), affecting or relating to the Assets are hereby expunged, discharged and terminated as against the Assets.
7. Upon delivery of the Receiver's Certificate, and upon filing a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, **Governmental Authorities**) are hereby authorized, requested and directed to accept delivery of such Receiver's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Assets subject only to Permitted Encumbrances.
8. The aid and assistance of the officials of the public registries of any Province or Territory in Canada or in the United States is requested to give effect to this Order by transferring each of the registrations identified in the Sale Agreement to the name of the Purchaser (or its nominee), irrespective of whether the registration stands in the name of the EHI or some other third party.

9. The Receiver is hereby authorized and directed to take all necessary steps and execute any and all documents to effect any and all discharges, and the registrars and all other persons in control or otherwise supervising such offices of registration or recording shall forthwith remove and discharge all such registrations.
10. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Assets from and after delivery of the Receiver's Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Assets and may be asserted against the net proceeds from sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the 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. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
11. Except as expressly provided for in the Sale Agreement, the Purchaser (or its nominee) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtors.
12. Upon completion of the Transaction, the Debtors and all persons who claim by, through or under the Debtors in respect of the Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
13. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Assets for its own use and benefit without any interference of or by the Debtors, or any person claiming by, through or against the Debtors.

14. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
15. The Receiver is directed to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
16. The Purchaser (or its nominee) shall be authorized (but not obligated), as of the closing of the Transaction and in accordance with the Sale Agreement, to be substituted for EHI, or to become the successor operator to EHI, in relation to operations under any Governmental Authority, licence, permit, registration and authorization or approval of or given to EHI with respect to the Assets, and the Purchaser (or its nominee) shall be authorized (but not obligated) to take whatever steps necessary to effect the same.
17. Notwithstanding paragraph 17 above, to the extent that the said paragraph 17 and any other paragraph of this Order vests or purports to vest any unexpired leases, licenses, permits or mineral interests granted to EHI by the United States Government, including any leases, licenses, permits or mineral interests granted to EHI by any American Indian interests for which the United States Government acts as a trustee, this Honourable Court's approval of the vesting of such rights in the Purchaser is subject to the recognition and further determination of the "Bankruptcy Court" as that term is defined in the Sale Agreement, pursuant to the United States Bankruptcy Code, of this Order. This Order does not release any party from any environmental or plugging and abandonment obligations to the United States.
18. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) (i) any personal information of customers of EHI and users of EHI's Property, including all persons or entities who had or continue to have any interface with the Assets in the course of EHI's businesses; and (ii) all human resources and payroll information in EHI's records pertaining to EHI's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which EHI was entitled.

MISCELLANEOUS MATTERS

19. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the **BIA**) or United

States Bankruptcy Code, in respect of the Debtors, and any bankruptcy order issued pursuant to any such applications;

- (c) any assignment in bankruptcy made in respect of the Debtors; and
- (d) the provisions of any federal or provincial statute:

the vesting of the Assets in the 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 transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA 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.

- 20. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
- 21. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the 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.
- 22. 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;
 - (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;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Receiver's website at: <http://cfcanada.fticonsulting.com/EagleEnergy/>

and service on any other person is hereby dispensed with.

23. 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.

Justice of the Court of Queen's Bench of Alberta

Schedule "A": Form of Receiver's Certificate

Schedule "B": Encumbrances

General

Any and all obligations, liabilities and Claims of any kind or character, known or unknown, to the extent that they are attributable to, arise out of, are based upon or are otherwise related to the ownership or operation of (a) the Purchased Assets prior to the closing of the Transaction or (b) the Excluded Assets and the Excluded Contracts (each as defined in the Sale Agreement)¹ prior to, on or after the closing of the Transaction and any and all other obligations and liabilities of Debtors, including those obligations and liabilities as are set forth in the Sale Agreement in the definition of "Retained Liabilities,"² other than the Assumed Liabilities (as defined in the Sale Agreement).

Specific Alberta Encumbrances

<p><u>Registration Number:</u> 17030922602 Registration Type: SECURITY AGREEMENT Registration Date: 2017-Mar-09 Expiry Date: 2027-Mar-09 23:59:59 Debtor(s): EAGLE HYDROCARBONS INC. Secured Party / Parties: WHITE OAK GLOBAL ADVISORS, LLC, AS ADMINISTRATIVE AGENT</p> <p>Collateral: General: 1. Each account of the Debtor maintained with The Bank of Nova Scotia in Canada (such accounts, including in each case, any replacement account thereof, collectively, the "Accounts"), all monies, investment property or other property now or at any time or from time to time hereafter deposited therein, credited thereto, or payable thereon, all proceeds thereof, and all investments made from time to time therewith from any of the Accounts, including all renewals thereof, accretions thereto, substitutions thereof, and all interest, income, receivables and revenue arising therefrom or by virtue thereof. 2. Proceeds: goods, investment property, documents of title, chattel paper, instruments, money and intangibles.</p>	<p><u>Registration Number:</u> 17080410109 Registration Type: SECURITY AGREEMENT Registration Date: 2017-Aug-04 Expiry Date: 2022-Aug-04 23:59:59 Debtor(s): EAGLE HYDROCARBONS INC. Secured Party / Parties: THE BANK OF NOVA SCOTIA</p> <p>Collateral: General: All of the right, title and interest of the Debtor in, to and under the following property, whether now owned or existing or hereafter from time to time acquired or coming into existence (collectively, the "Collateral"): (a) an account of the Debtor held with the Secured Party (the "Account"), all funds held therein or credited thereto, all rights to renew or withdraw the same, and all certificates and instruments, if any, from time to time representing or evidencing the Account; (b) any notes, certificates of deposit, guaranteed investment certificates, instruments, financial assets or investment property evidencing or arising out of investment of any funds held in or credited to the Account; (c) any interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the then existing Collateral; and (d) all proceeds of any and all of the Collateral.</p>
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¹ The Excluded Assets and Excluded Contracts include without limitation (a) all employment contracts with any of the Debtors and (b) that certain Lease dated as of September 22, 2017 by and between Energy Tower IV Investments LTD and EHI.

² Retained Liabilities include, without limitation, all Claims and causes of action against any of the Debtors in that certain lawsuit styled: *Billy J. Perryman, Inc., Plaintiffs, v. Eagle Hydrocarbons, Inc., Salt Flat Acquisition LLC, and North South Oil LLC, Defendants*, Case No. 18-O-547, 421st Judicial District Court, Caldwell County, Texas.

Schedule "C": Permitted Encumbrances

At the closing of the Transaction, Purchaser or its nominee will be conveyed clear title to the Purchased Assets subject to Permitted Encumbrances as are set forth in the Sale Agreement in the definition of "Permitted Encumbrances."

Purchaser will also assume certain liabilities relating to the Purchased Assets, including (a) all liabilities and obligations (including all liabilities and obligations of EHI under the Assigned Contracts (as defined in the Sale Agreement)) arising from the possession, ownership, use and/or operation of the Purchased Assets, to the extent such liabilities and obligations arise from and after the closing of the Transaction, (b) all Abandonment and Reclamation Obligations (as defined in the Sale Agreement) and all Environmental Liabilities (as defined in the Sale Agreement) and (c) such other liabilities set forth in the Sale Agreement in the definition of "Assumed Liabilities."

Schedule "C": Sale Approval and Vesting Order Blackline

COURT FILE NUMBER [1901-16293](#)

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COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE [CALGARY](#)

PLAINTIFF

~~DEFENDANT~~ PROCEEDINGS IN THE MATTER OF THE RECEIVERSHIP OF EAGLE ENERGY INC., EAGLE ENERGY TRUST, EAGLE ENERGY HOLDINGS INC., and EAGLE HYDROCARBONS INC.

APPLICANT FTI CONSULTING CANADA INC., in its capacity as Court-appointed Receiver of the current and future assets, undertakings and properties of Eagle Energy Inc., Eagle Energy Trust, Eagle Energy Holdings Inc. and Eagle Hydrocarbons Inc.

DOCUMENT **SALE APPROVAL AND VESTING ORDER**
(Sale by Receiver)

~~ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT~~

~~DATE ON WHICH ORDER WAS PRONOUNCED:~~ _____

~~LOCATION WHERE ORDER WAS PRONOUNCED:~~ _____

~~NAME OF JUSTICE WHO MADE THIS ORDER:~~ _____

ADDRESS FOR SERVICE [Norton Rose Fulbright Canada LLP](#)

AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT 400 3rd Avenue SW, Suite 3700 Calgary, Alberta T2P 4H2 CANADA

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Lawyers for FTI Consulting Canada Inc., in its capacity as Court-appointed Receiver of the current and future assets, undertakings and properties of Eagle Energy Inc., Eagle Energy Trust, Eagle Energy Holdings Inc., and Eagle Hydrocarbons Inc. File no.: 1001023920

DATE ON WHICH ORDER WAS PRONOUNCED: June 2, 2020

NAME OF JUDGE WHO MADE THIS ORDER: the Honourable Justice Grosse

LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION by ~~[Receiver's Name]~~ of FTI Consulting Canada Inc., in its capacity as ~~the~~ Court-appointed ~~[receiver/receiver and manager]~~ Receiver (the "**Receiver**") of the current and future assets, undertakings, ~~property and assets of [Debtor]~~ (the "**Debtor**" and properties of Eagle Energy Inc., Eagle Energy Trust, Eagle Energy Holdings Inc., and Eagle Hydrocarbons Inc. (EHI and together with Eagle Energy Inc., Eagle Energy Trust, and Eagle Energy Holdings Inc., the Debtors)) for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and ~~[Name of Purchaser]~~ AgUILA Energy, LLC (the "**Purchaser**") ~~dated [Date] and~~, a copy of which is appended to the ~~Report of Supplement to the Receiver dated [Date] (the "Report")'s Second Report, filed May 29, 2020 (the Supplemental Report), and vesting in the Purchaser (or its nominee)[†] ~~the Debtor EHI's~~ right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");~~

AND UPON HAVING READ the Receivership Order ~~dated [Date] (the "granted by the Honourable Justice R.A. Neufeld and dated November 19, 2019 (the Receivership Order"), the Report, the Receiver's Second Report, filed May 12, 2020, the Supplemental Report, and the Affidavit of Service, filed;~~

AND UPON HEARING the submissions of counsel for the Receiver, ~~the Purchaser [Names of other parties appearing], no one appearing for any other person on the service list, although properly~~

[†] ~~Ensure that there are no legal obstacles to the vesting of assets in a nominee (for example competition and anti-trust law). Should land be transferred and vested in a nominee, the Registrar of Land Titles requires the Purchaser to complete a Certificate of Nomination (which needs to be~~

~~served as appears from the Affidavit of Service, filed;~~ and the Purchaser and any other interested parties that may be present;

AND UPON IT APPEARING that service has been effected;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, 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.²
2. Unless otherwise defined in this Order, all capitalized terms used in this Order shall have the meanings given to them in the Sale Agreement.

APPROVAL OF TRANSACTION

3. ~~2-~~The Transaction is hereby approved³ and execution of the Sale Agreement by the Receiver 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 completion of the Transaction and conveyance of the ~~Purchased~~ Assets to the Purchaser (or its nominee).
4. The Debtors and the Receiver are each authorized and directed to take all such steps, perform, consummate, implement, execute and deliver all such conveyance documents, bills of sale, assignments, conveyances, transfers, deeds, representations, indicia of title, tax elections, documents and instruments of whatsoever nature or kind as may be reasonably necessary or desirable to consummate the Transaction in accordance with the terms of the Sale Agreement.
5. The Transaction and Sale Agreement are commercially reasonable and in the best interest of the Debtors and their Stakeholders.

~~signed under seal if the Purchaser is a corporation. If the Purchaser is an individual, the signature needs to be witnessed with an affidavit of execution completed.)~~

~~²Ensure that the application and supporting materials are served on all affected parties including those whose interests will be vested off.~~

~~³In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding. If supported by evidence, the following sentence could be added at the beginning of paragraph 2: "The Transaction and Sale Agreement are commercially reasonable and in the best interest of the Debtor and its stakeholders."~~

VESTING OF PROPERTY

6. ~~3. [Subject only to approval by the Alberta Energy Regulator (“Energy Regulator”) of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta)]⁴ upon Upon delivery of a Receiver’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the **“Receiver’s Closing Certificate”**), all of the ~~Debtor~~EHI’s right, title and interest in and to the ~~Purchased Assets [listed in **Schedule “B”**⁵ hereto]~~ shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, **“Claims”**)⁶ including, without limiting the generality of the foregoing:~~

- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, liens, security interests or claims, whether evidenced by registrations pursuant to the ~~*Personal Property Security Act* (Alberta)~~Uniform Commercial Code (United States) or any other personal, mineral or real property registry system, or otherwise;
- (c) any liens or claims of lien under the *Builders’ Lien Act* (Alberta); and
- (d) those Claims listed in **Schedule “CB”** hereto

⁴ ~~This bracketed clause, paragraph 4(b) and the bracketed words at the end of paragraph 6 are included when the Purchased Assets include mineral interests in land.~~

⁵ ~~To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule B.~~

⁶ ~~The “Claims” being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims may, in some cases, continue as against the net proceeds from sale of the claimed assets. In other cases, the ownership claimant may object to its ownership interest being vested out of the claimed assets. For example, it not clear that vesting orders can vest out overriding royalties or restrictive covenants which are interests in land. (In *Third Eye Capital Corp. v Dianor Resources Inc.*, 2018 ONCA 253 at paragraphs 108-130 the Ont. C.A. requested further argument regarding whether an overriding royalty which is an interest in land may nevertheless be vested out.) Similarly, other claimed rights, titles or interests may potentially be vested out if the Court is advised what rights are being affected and the affected persons are served. The Committee agrees with the view of the Ontario Committee that a non-specific vesting out of “rights, titles and interests” is vague and therefore undesirable.~~

(all of which are collectively referred to as the **“Encumbrances”**, ~~which term shall not include the permitted~~, all Claims, including Encumbrances other than the encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule “D”** ~~(collectively, “Permitted Encumbrances”)~~ and ~~for greater certainty, this Court orders that all Claims including Encumbrances other than C” (the Permitted Encumbrances)~~, affecting or relating to the ~~Purchased~~ Assets are hereby expunged, discharged and terminated as against the ~~Purchased~~ Assets.

7. ~~4.~~ Upon delivery of the Receiver’s ~~Closing~~ Certificate, and upon filing ~~of~~ a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, **“Governmental Authorities”**) are hereby authorized, requested and directed to accept delivery of such Receiver’s ~~Closing~~ Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the ~~Purchased~~ Assets subject only to Permitted Encumbrances. ~~Without limiting the foregoing:~~

~~(a)⁷ the Registrar of Land Titles (“Land Titles Registrar”) for the lands defined below shall and is hereby authorized, requested and directed to forthwith:~~

~~(i) cancel existing Certificates of Title No. * for those lands and premises municipally described as *, and legally described as:~~

~~_____*~~
~~_____ (the “Lands”)~~

~~(ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, *;~~

~~(iii) transfer to the New Certificate of Title the existing instruments listed in Schedule “D”, to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule “D”; and~~

~~(iv) discharge and expunge the Encumbrances listed in Schedule “C” to this Order and discharge and expunge any Claims including Encumbrances (but excluding~~

⁷ Paragraph 4(a) is included when the Purchased Assets include titled lands.

~~Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;~~

~~(b)⁸ — Alberta Energy (“Energy Ministry”) shall and is hereby authorized, requested and directed to forthwith:~~

~~(v) — cancel and discharge those Claims including builders’ liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and~~

~~(vi) — transfer all Crown leases listed in Schedule “E” to this Order standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;~~

~~(c) — the Registrar of the Alberta Personal Property Registry (the “PPR Registrar”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.~~

~~5. — In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.~~

~~6. — No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, [other than any required approval by the Energy Regulator referenced in paragraph 3 above.]⁹~~

⁸ Paragraph 4(b) is included when the Purchased Assets include mineral interests in land.

⁹ The bracketed words in this paragraph are included when the Purchased Assets include mineral interests in land.

- ~~7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to 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.~~
8. The aid and assistance of the officials of the public registries of any Province or Territory in Canada or in the United States is requested to give effect to this Order by transferring each of the registrations identified in the Sale Agreement to the name of the Purchaser (or its nominee), irrespective of whether the registration stands in the name of the EHI or some other third party.
9. The Receiver is hereby authorized and directed to take all necessary steps and execute any and all documents to effect any and all discharges, and the registrars and all other persons in control or otherwise supervising such offices of registration or recording shall forthwith remove and discharge all such registrations.
10. ~~8.~~ For the purposes of determining the nature and priority of Claims, net proceeds¹⁰ from sale of the ~~Purchased~~ Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the ~~Purchased~~ Assets from and after delivery of the Receiver's ~~Closing~~ Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the ~~Purchased~~ Assets and may be asserted against the net proceeds from sale of the ~~Purchased~~ Assets with the same priority as they had with respect to the ~~Purchased~~ Assets immediately prior to the sale, 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. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the ~~Purchased~~ Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
11. ~~9.~~ Except as expressly provided for in the Sale Agreement ~~or by section 5 of the Alberta Employment Standards Code~~, the Purchaser (or its nominee) shall ~~not~~, by virtue of the completion

¹⁰ ~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the ~~Debtor.~~¹¹ Debtors.

12. ~~40.~~ Upon completion of the Transaction, the Debtors and all persons who claim by, through or under the Debtors in respect of the ~~Purchased~~ Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the ~~Purchased~~ Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the ~~Purchased~~ Assets, and to the extent that any such persons or entities remain in the possession or control of any of the ~~Purchased~~ Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the ~~Purchased~~ Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).¹²
13. ~~41.~~ 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, through or against the Debtors.
14. ~~42.~~ Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.¹³
15. ~~43.~~ The Receiver is directed to file with the Court a copy of the Receiver's ~~Closing~~ Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
16. The Purchaser (or its nominee) shall be authorized (but not obligated), as of the closing of the Transaction and in accordance with the Sale Agreement, to be substituted for EHI, or to become the successor operator to EHI, in relation to operations under any Governmental Authority, licence, permit, registration and authorization or approval of or given to EHI with respect to the Assets, and

¹¹ ~~Successor employer liability is governed by section 5 of the *Employment Standards Code*, RSA 2000 c. E-9 as amended. Inclusion of the words "or by statute" in paragraph 9 ensures that paragraph 9 does not purport to abrogate statutory successor employee liability.~~

¹² ~~Not all sale agreements require, nor do the terms of the Debtor's possession of human resources and payroll information always permit, disclosure and transfer of such information to the Purchaser. If disclosure and transfer of such information to the Purchaser is not required or permitted, then Section 10 of this Order should be deleted.~~

¹³ ~~The terms of the Permitted Encumbrance and Sale Agreement should be reviewed to determine whether an encumbrance also constitutes a charge against other assets not being sold (in addition to the Purchased Assets.) In that circumstance, absent agreement of the encumbrancer to the contrary, the Debtor may not be fully discharged so the encumbrancer does not lose its charge over~~

the Purchaser (or its nominee) shall be authorized (but not obligated) to take whatever steps necessary to effect the same.

17. Notwithstanding paragraph 17 above, to the extent that the said paragraph 17 and any other paragraph of this Order vests or purports to vest any unexpired leases, licenses, permits or mineral interests granted to EHI by the United States Government, including any leases, licenses, permits or mineral interests granted to EHI by any American Indian interests for which the United States Government acts as a trustee, this Honourable Court's approval of the vesting of such rights in the Purchaser is subject to the recognition and further determination of the "Bankruptcy Court" as that term is defined in the Sale Agreement, pursuant to the United States Bankruptcy Code, of this Order. This Order does not release any party from any environmental or plugging and abandonment obligations to the United States.

18. ~~14.~~ Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) (i) any personal information of customers of EHI and users of EHI's Property, including all persons or entities who had or continue to have any interface with the Assets in the course of EHI's businesses; and (ii) all human resources and payroll information in ~~the Debtor~~EHI's records pertaining to ~~the Debtor~~EHI's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which ~~the Debtor~~EHI was entitled.

MISCELLANEOUS MATTERS

19. ~~15.~~ Notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "~~BIA~~") or United States Bankruptcy Code, in respect of the Debtors, and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Debtors; and
- (d) the provisions of any federal or provincial statute:

~~the other assets it holds as security. Do not add the words "or the Debtor" to the end of paragraph 12 if an encumbrancer's claim against the Debtor should be reserved.~~

the vesting of the ~~Purchased~~ Assets in the 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~~s~~ and shall not be void or voidable by creditors of the Debtors~~s~~, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA 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.

20. ~~16.~~ The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

21. ~~17.~~ This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada ~~or in any of its provinces or territories,~~ in the United States or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the 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.

22. ~~18.~~ 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;
 - (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;
 - (iv) the Purchaser or the Purchaser's solicitors; and
- (b) Posting a copy of this Order on the Receiver's website at:
[*http://cfcanada.fticonsulting.com/EagleEnergy/](http://cfcanada.fticonsulting.com/EagleEnergy/)

and service on any other person is hereby dispensed with.

23. ~~19.~~ 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.

Schedule "A": [Form of Receiver's Certificate](#)

~~Form of Receiver's Certificate~~

Schedule "B": Encumbrances

General

Any and all obligations, liabilities and Claims of any kind or character, known or unknown, to the extent that they are attributable to, arise out of, are based upon or are otherwise related to the ownership or operation of (a) the Purchased Assets prior to the closing of the Transaction or (b) the Excluded Assets and the Excluded Contracts (each as defined in the Sale Agreement)¹ prior to, on or after the closing of the Transaction and any and all other obligations and liabilities of Debtors, including those obligations and liabilities as are set forth in the Sale Agreement in the definition of "Retained Liabilities,"² other than the Assumed Liabilities (as defined in the Sale Agreement).

Specific Alberta Encumbrances

Registration Number:	17030922602
Registration Type:	SECURITY AGREEMENT
Registration Date:	2017-Mar-09
Expiry Date:	2027-Mar-09 23:59:59
Debtor(s):	EAGLE HYDROCARBONS INC.
Secured Party / Parties:	WHITE OAK GLOBAL ADVISORS, LLC, AS ADMINISTRATIVE AGENT

retained with The Bank of Nova Scotia in Canada (such accounts, including in each case, any replacement account thereof, collectively, the "Accounts"), all monies, investment property or other property now or at any time or from time to time hereafter deposited therein, credited thereto, or payable thereon, all proceeds thereof, and all investments made from time to time therewith from any of the Accounts, including all renewals thereof, accretions thereto, substitutions thereof, and all interest, income, receivables and revenue arising therefrom or by virtue thereof, property, documents of title, chattel paper, instruments,

Registration Number:	17080410109
Registration Type:	SECURITY AGREEMENT
Registration Date:	2017-Aug-04
Expiry Date:	2022-Aug-04 23:59:59
Debtor(s):	EAGLE HYDROCARBONS INC.
Secured Party / Parties:	THE BANK OF NOVA SCOTIA

Collateral: General:

All of the right, title and interest of the Debtor in, to and under the following property, whether now owned or existing or hereafter from time to time acquired or coming into existence (collectively, the "Collateral"): (a) an account of the Debtor held with the Secured Party (the "Account"), all funds held therein or credited thereto, all rights to renew or withdraw the same, and all certificates and instruments, if any, from time to time representing or evidencing the Account; (b) any notes, certificates of deposit, guaranteed investment certificates, instruments, financial assets or investment property evidencing or arising out of investment of any funds held in or credited to the Account; (c) any interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the then existing Collateral; and (d) all proceeds of any and all of the Collateral.

¹ The Excluded Assets and Excluded Contracts include without limitation (a) all employment contracts with any of the Debtors and (b) that certain Lease dated as of September 22, 2017 by and between Energy Tower IV Investments LTD and EHL.

² Retained Liabilities include, without limitation, all Claims and causes of action against any of the Debtors in that certain lawsuit styled: *Billy J. Perryman, Inc., Plaintiffs, v. Eagle Hydrocarbons, Inc., Salt Flat Acquisition LLC, and North South Oil LLC, Defendants*, Case No. 18-O-547, 421st Judicial District Court, Caldwell County, Texas.

Schedule "C": Permitted Encumbrances

At the closing of the Transaction, Purchaser or its nominee will be conveyed clear title to the Purchased Assets subject to Permitted Encumbrances as are set forth in the Sale Agreement in the definition of "Permitted Encumbrances."

Purchaser will also assume certain liabilities relating to the Purchased Assets, including (a) all liabilities and obligations (including all liabilities and obligations of EHI under the Assigned Contracts (as defined in the Sale Agreement)) arising from the possession, ownership, use and/or operation of the Purchased Assets, to the extent such liabilities and obligations arise from and after the closing of the Transaction, (b) all Abandonment and Reclamation Obligations (as defined in the Sale Agreement) and all Environmental Liabilities (as defined in the Sale Agreement) and (c) such other liabilities set forth in the Sale Agreement in the definition of "Assumed Liabilities."

COURT FILE NUMBER		Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE		
PLAINTIFF		
DEFENDANT		
DOCUMENT	RECEIVER'S CERTIFICATE	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT		

RECITALS

- A. Pursuant to an Order of the Honourable Justice **[Name]** of the Court of Queen's Bench of Alberta, Judicial District of _____ (the "Court") dated **[Date of Order]**, **[Name of Receiver]** was appointed as the receiver (the "Receiver") of the undertakings, property and assets of **[Debtor]** (the "Debtor").
- B. Pursuant to an Order of the Court dated **[Date]**, the Court approved the agreement of purchase and sale made as of **[Date of Agreement]** (the "Sale Agreement") between the Receiver and **[Name of Purchaser]** (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the

~~conditions to Closing as set out in section * of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.~~

~~C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.~~

~~**THE RECEIVER CERTIFIES** the following:~~

- ~~1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;~~
- ~~2. The conditions to Closing as set out in section * of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and~~
- ~~3. The Transaction has been completed to the satisfaction of the Receiver.~~
- ~~4. This Certificate was delivered by the Receiver at [Time] on [Date].~~

~~**[Name of Receiver], in its capacity as Receiver of the undertakings, property and assets of [Debtor], and not in its personal capacity.**~~

~~**Per;** _____~~

~~**Name:**~~

~~**Title:**~~