



COURT FILE NUMBER 1601-03113
 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

\$50
 COM
 July 13, 2021
 Justice Horner

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF QUICKSILVER RESOURCES CANADA INC., 0942065 B.C. LTD., and 0942069 B.C. LTD.

DOCUMENT APPLICATION

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
 McCARTHY TÉTRAULT LLP
 Suite 4000, 421 7 Avenue SW
 Calgary, AB T2P 4K9
 Attention: Sean Collins / Walker W. MacLeod / Nathan Stewart
 Tel: 403-260-3531 / 3710 / 3534
 Fax: 403-260-3501
 Email: scollins@mccarthy.ca / wmacleod@mccarthy.ca / nstewart@mccarthy.ca

NOTICE TO RESPONDENT(S)

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: July 13, 2021
 Time: 10:00 a.m.
 Where: Calgary Courts Centre (Virtual Courtroom via WebEx – see Schedule “A” hereto)
 Before Whom: The Honourable Madam Justice K.M. Horner

Go to the end of this document to see what else you can do and when you must do it.

Remedy Claimed or Sought: FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the “**Monitor**”) of Quicksilver Resources Canada Inc. (“**QRCI**”), 0942065 B.C. Ltd. (“**LNG Co**”), and 0942069 B.C. Ltd. (“**LNG Subco**”, LNG Subco, LNG Co, and QRCI are collectively referred to as, the “**Applicants**”) pursuant to the Order issued in the within proceedings on March 8, 2016 (the “**Initial Order**”) under the *Companies’ Creditor Arrangement Act* (Canada) (the

“**CCAA**”), applies for an Order (the “**Discharge and Fee Approval Order**”) substantially in the form attached as Schedule “**B**” hereto:

1. Declaring that the time for service of this application (the “**Application**”) and the Tenth Report of the Monitor, dated July 5, 2021 (the “**Tenth Monitor’s Report**”), is abridged, if necessary, that the Application is properly returnable on July 13, 2021, that service of the Application and the Tenth Monitor’s Report on the persons listed on the service list (the “**Service List**”) maintained by the Monitor in these proceedings is validated and declared to be good and sufficient, and that no persons other than those listed on the Service List are entitled to service of the Application or the Tenth Monitor’s Report.
2. Approving the fees and disbursements charged by the Monitor and its counsel in the within proceedings.
3. Approving the Tenth Monitor’s Report and the activities of the Monitor described therein and in all of the Monitor’s other reports filed in these proceedings.
4. Declaring that as of the date of the Tenth Monitor’s Report, based on the evidence that is currently before this Honourable Court:
 - (a) the actions and conduct of the Monitor are approved and the Monitor has satisfied all of its duties and obligations as monitor of the Applicants;
 - (b) the Monitor shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of the Monitor’s duties as monitor of the Applicants under any Orders issued in the within proceedings unless such liability arises out of fraud, gross negligence or wilful misconduct on the part of the Monitor; and,
 - (c) any and all claims against the Monitor arising from, relating to, or in connection with the performance of the Monitor’s duties and obligations as monitor of the Applicants, save and except for claims based on fraud, gross negligence or wilful misconduct on the part of the Monitor, shall be forever barred and extinguished.
5. Discharging the Monitor as monitor of the Applicants, upon the Monitor filing with this Honourable Court a certificate certifying that all remaining and residual funds have been

distributed, and declaring that the Monitor shall thereafter have no further liabilities, obligations, responsibilities or duties with respect to the Applicants.

6. Declaring that no action or proceeding arising from, relating to or in connection with the performance of the Monitor's duties and obligations as monitor of the Applicants may be commenced or continued without the prior leave of this Honourable Court, on notice to the Monitor, and on such terms as this Honourable Court may direct.
7. Ordering and declaring that service of any Order arising from this Application by email, facsimile, registered mail, courier, regular mail or personal delivery, to the persons attending or represented at the hearing of this Application, shall constitute good and sufficient service of such Order, and that no persons other than those appearing or represented at the hearing of this Application are entitled to be served with a copy of such Order.
8. Such further and other relief as counsel for the Monitor may advise.

Grounds for Making this Application: The grounds for the Application are as follows:

Activities of the Applicants and the Monitor

9. The Monitor was appointed as monitor of the Applicants pursuant to the Initial Order.
10. On March 29, 2016, this Honourable Court granted a sale approval and vesting Order which, *inter alia*, approved the transaction contemplated by the asset purchase agreement for the Applicants' Horseshoe Canyon assets (the "**Horseshoe Canyon Assets**").
11. On April 5, 2016, this Honourable Court granted an Order which, *inter alia*:
 - (a) extended the stay of proceedings provided in the Initial Order until and including June 2, 2016; and
 - (b) authorized the Applicants to distribute the net proceeds from the sale of the Horseshoe Canyon Assets to JP Morgan, the senior secured creditor (the "**Secured Creditor**").
12. On April 22, 2016, this Honourable Court granted the following Orders:

- (a) a sale approval and vesting Order which, *inter alia*, approved the transaction contemplated by the asset purchase agreement for the Applicants' Horn River assets (the "**Horn River Assets**");
 - (b) a sale approval and vesting Order which, *inter alia*, approved the transaction contemplated by the asset purchase agreement for the Applicants' liquid natural gas facility (the "**LNG Facility**"); and
 - (c) an Order which, *inter alia*, approved the distribution of sale proceeds to the Secured Creditor.
13. The Horn River Assets, the LNG Facility and the Horseshoe Canyon Assets comprise the majority of the Applicants' assets (other than miscellaneous receivables and other recoveries). All the proceeds realized from the sale of the Applicants' assets were received by the Applicants and certain of the proceeds have been distributed to the Secured Creditor to repay the Secured Creditor in full. The remaining net proceeds were held by the Monitor pending the implementation of a plan of compromise and arrangement, as described in further detail below.
14. On May 26, 2016, this Honourable Court granted the Claims Procedure Order (the "**Claims Procedure Order**") which, *inter alia*:
- (a) extended the Stay Period (as defined in the Initial Order) until August 5, 2016; and
 - (b) authorized QRCI to commence a Claims Procedure (as defined in the Claims Procedure Order).
15. On June 28, 2016, this Honourable Court granted the following two Orders:
- (a) an Order (Representation Order) (the "**Representation Order**"), which, *inter alia*, approved the appointment of representative counsel for certain former employees of the Applicants; and,
 - (b) an Order (Various Relief) (the "**Various Relief Order**"), which, *inter alia*:
 - (i) authorized QRCI, by way of shareholder resolution, to assign Makarios Midstream Inc. ("**MMI**"), a wholly owned subsidiary of QRCI, into bankruptcy;
 - (ii) extended the Claims Bar Date (as defined in the Claims Procedure Order) to

August 5, 2016 for the Fortune Creek Gathering and Processing Partnership (“**Partnership**”) to submit a claim against QRCI, if required; and (iii) authorized QRCI to pay certain amounts to the Oil and Gas Commission of British Columbia (“**OGCBC**”) and granted a first ranking priority charge in favor of QRCI to secure the amount of this payment over the assets of the Partnership.

16. On August 15, 2016 this Honourable Court granted an Order extending the stay of proceedings until September 30, 2016 and on September 26, 2016, this Honourable Court granted an Order further extending the stay of proceedings until November 30, 2016.
17. On November 17, 2016 this Honourable Court granted various Orders, including:
 - (a) an Order approving the settlement agreement (“**Settlement Agreement**”) between QRCI and the Represented Employees (as defined in the Representation Order) and amending the Representation Order, by increasing the maximum amount payable to Representative Counsel (as defined in the Representation Order) in respect of its fees from \$50,000 to \$75,000;
 - (b) an Order (Creditors’ Meeting) (the “**Meeting Order**”) approving the Applicants’ request for a meeting order authorizing the Applicants to file their plan of and compromise and arrangement (“**Plan**”) and conduct a meeting (“**Creditors’ Meeting**”) of the Affected Creditors (as defined in the Plan) to consider and vote on the Plan; and
 - (c) an Order extending the stay of proceedings until and including February 28, 2016.
18. The Plan was approved by the requisite majorities of the Applicants’ creditors.
19. On December 15, 2016, this Honourable Court granted an Order sanctioning the Plan (the “**Plan Sanction Order**”) and, *inter alia*, affording certain enhanced powers to the Monitor, as set out in further detail in paragraph 32 of the Plan Sanction Order, due to the deemed resignation of all QRCI directors upon Plan implementation, pursuant to paragraph 13 of the Plan Sanction Order and Section 8.2(c)(ii) of the Plan.
20. On December 16, 2016, the Monitor delivered the Monitor’s Implementation Certificate (as defined in the Plan Sanction Order), pursuant to paragraph 19 of the Plan Sanction Order and Section 8.4 of the Plan, which certified that:

- (a) the Monitor had received written notice from the Applicants that the conditions set out in Section 9.1 of the Plan had been satisfied or waived in accordance with the Plan; and
 - (b) the Plan Implementation Date (as defined in the Plan) had occurred, and the Plan has become effective in accordance with the terms of the Plan and the Plan Sanction Order.
21. After issuing the Monitor's Implementation Certificate, the Monitor proceeded to implement the Plan, in consultation with the Applicants.
22. On or around December 19, 2016, the Applicants, under the supervision of the Monitor, made an initial distribution of approximately \$18.05 million (the "**Initial Distribution**") to the Affected Creditors in accordance with the Plan.
23. In addition to the Initial Distribution, on December 19, 2016, the Applicants, under the supervision of the Monitor, made the settlement payment of \$325,000 to the Represented Employees in accordance with the Settlement Agreement.

Administrative Matters

24. As set out in paragraph 37 of the Eighth Report of the Monitor, dated November 9, 2016 (the "**Eighth Monitor's Report**"), the Monitor and the Applicants were pursuing additional recoveries that, if collected, would increase recoveries to the Affected Creditors (as defined in the Plan) under the Plan and result in an additional distribution to such persons.
25. As described in further detail in the Tenth Report of the Monitor, the Applicants and the Monitor have completed the pursuit of such additional recoveries. The Monitor has determined that no further recoveries are available to the Applicants.
26. Accordingly, pursuant to the enhanced powers afforded to the Monitor in section 32(j) of the Plan Sanction Order, the Monitor made additional distributions to the Affected Creditors in the amounts of: (i) \$4.75 million, on or around March 15, 2019; and (ii) \$141,000, on or around May 13, 2021.
27. On July 5, 2021, the Monitor submitted the Monitor's Plan Completion Certificate (as defined in the Plan Sanction Order) for filing concurrently with the Tenth Report, and

intends to post the filed copy of same to its website forthwith upon receipt, in accordance with Section 5.3(d) of the Plan and paragraph 20 of the Plan Sanction Order.

Fee Approval

28. Pursuant to paragraph 31 of the Initial Order, the Monitor and its counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the cost of these proceedings. Pursuant to paragraph 32 of the Initial Order, the Monitor and its counsel shall pass their accounts from time to time.
29. A summary of the fees and disbursements of the Monitor and the Monitor's counsel (the "**Monitor's Fees**" and the "**Monitor's Counsel's Fees**"), including the estimated unbilled fees accrued in connection with the Application, is included in the Tenth Monitor's Report. The Monitor's Fees and the Monitor's Counsel's Fees are reasonable and appropriate given the activities carried out by such persons in the within proceedings.

Discharge of Monitor

30. The Applicants have completed the sale of substantially all of their property.
31. The creditors of the Applicants have been identified under the Claims Procedure Order and the Plan Sanction Order and distributions have been made to the Secured Creditor and the Affected Creditors.
32. The Monitor has determined that there are no further collections or recoveries available to the Applicants, and QRCI has completed its duties to effect distributions, disbursements and payments in accordance with the Plan.
33. The administration of the estate of the Applicants is completed and it is appropriate for the Monitor to be discharged on the terms set forth in the proposed form of Discharge and Fee Approval Order.
34. Such further and other grounds as counsel for the Monitor may advise.

Material or Evidence to be Relied On: The Monitor will rely on the following evidence:

35. The Tenth Monitor's Report;

36. The Ninth Monitor's Report, dated December 14, 2016;
37. The Eighth Monitor's Report, dated November 9, 2016; and,
38. Such further and other evidence as counsel for the Monitor may advise.

Applicable Rules:

39. Rule 6.3, 6.9, and 11.27 of the *Alberta Rules of Court*, Alta. Reg. 124/2010.
40. Such further and other rules as counsel for the Monitor may advise.

Applicable Acts and Regulations:

41. The CCAA.
42. Such further and other acts and regulations as counsel for the Monitor may advise.

Any Irregularity Complained of or Objection Relied On:

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

How the Application is Proposed to be Heard or Considered:

44. The Monitor proposes that the Application be heard via WebEx with one, some or all of the parties present.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

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 applicants.

SCHEDULE "A" TO THE APPLICATION WEBEX INSTRUCTIONS

Virtual Courtroom 60 has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

If you are a non-lawyer attending this hearing remotely, **you must** complete the undertaking located here: <https://www.albertacourts.ca/qb/resources/announcements/undertaking-and-agreement-for-non-lawyers>

For more information relating to Webex protocols and procedures, please visit: <https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the "Cisco Webex Meetings" App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

**SCHEDULE "B" TO THE APPLICATION
ORDER (DISCHARGE OF MONITOR)**

Clerk's Stamp

COURT FILE NUMBER 1601-03113
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 COMPROMISE OR
ARRANGEMENT OF QUICKSILVER RESOURCES CANADA
INC., 0942065 B.C. LTD., and 0942069 B.C. LTD.

DOCUMENT **ORDER (Discharge and Fee Approval)**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT
McCARTHY TÉTRAULT LLP
Suite 4000, 421 7 Avenue SW
Calgary, AB T2P 4K9
Attention: Sean Collins / Walker W. MacLeod / Nathan Stewart
Tel: 403-260-3531 / 3710 / 3534
Fax: 403-260-3501
Email: scollins@mccarthy.ca / wmacleod@mccarthy.ca /
nstewart@mccarthy.ca

DATE ON WHICH ORDER PRONOUNCED: July 13, 2021

NAME OF JUDGE WHO MADE THIS ORDER: Justice K.M. Horner

LOCATION OF HEARING: Calgary, Alberta

UPON the application (the "**Application**") of FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the "**Monitor**") of Quicksilver Resources Canada Inc., 0942065 B.C. Ltd., and 0942069 B.C. Ltd. (collectively, the "**Applicants**") pursuant to the order issued in the within proceedings on March 8, 2016 (the "**Initial Order**") under the *Companies' Creditor Arrangement Act* (Canada) (the "**CCAA**"); **AND UPON** reading the Tenth Report of the Monitor, dated July 5, 2021 (the "**Tenth Monitor's Report**"); **AND UPON** having read the Affidavit of Service of Katie Doran, sworn July •, 2021 (the "**Service Affidavit**"); **AND UPON** hearing from counsel for the Monitor, and counsel present for other parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the Application and the Tenth Monitor's Report is abridged, the Application is properly returnable today, service of the Application and the Tenth Monitor's Report on the service list (the "**Service List**") attached as an exhibit to the Service Affidavit, in the manner described in the Service Affidavit, is validated, good and sufficient, and no persons other than those listed on the Service List are entitled to receive notice of the Application or service of the Tenth Monitor's Report.
2. The Monitor's accounts for fees and disbursements, including unbilled accrued fees and disbursements, as set out in the Tenth Monitor's Report, are hereby approved without the necessity of a formal passing of its accounts.
3. The accounts of the Monitor's legal counsel, McCarthy Tétrault LLP, for its fees and disbursements, including unbilled accrued fees and disbursements, as set out in the Tenth Monitor's Report, are hereby approved without the necessity of a formal assessment of its accounts.
4. The Monitor's activities, actions and proposed courses of action, as set out in the Tenth Monitor's Report and in all of its other reports filed in the within proceedings, and the final summary of the wind-down funds as set out in the Tenth Monitor's Report, are hereby ratified and approved.
5. On the evidence before the Court, the Monitor has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the part of the Monitor, or with leave of the Court. Subject to the foregoing any claims against the Monitor in connection with the performance of its duties are hereby stayed, extinguished and forever barred.
6. No action or other proceedings shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor, except with prior leave of this Court on notice to the Monitor, and upon such terms as this Court may direct.
7. Upon the Monitor filing with the Clerk of the Court a certificate in the form attached as Schedule "**A**" to this Order, the Monitor shall immediately be discharged as Monitor of the

Applicants, provided, however, that notwithstanding its discharge herein: (a) the Monitor shall remain Monitor for the performance of such incidental duties as may be required to complete the administration of the Applicants herein; and, (b) the Monitor shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of the Monitor in its capacity as Monitor.

8. This Order must be served only upon those interested parties attending or represented at the within Application and service may be effected by electronic mail, facsimile, registered mail, courier, regular mail or personal delivery. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

9. Service of this Order on any party not attending this Application is hereby dispensed with.

J.C.C.Q.B.A.

**SCHEDULE "A" TO THE ORDER (DISCHARGE OF MONITOR)
MONITOR'S DISCHARGE CERTIFICATE**

COURT FILE NUMBER 1601-03113
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

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 COMPROMISE OR
ARRANGEMENT OF QUICKSILVER RESOURCES CANADA
INC., 0942065 B.C LTD., and 0942069 B.C. LTD.

DOCUMENT MONITOR'S DISCHARGE CERTIFICATE

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McCARTHY TÉTRAULT LLP
Suite 4000, 421 7 Avenue SW
Calgary, AB T2P 4K9
Attention: Sean Collins / Walker W. MacLeod / Nathan Stewart
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Fax: 403-260-3501
Email: scollins@mccarthy.ca / wmacleod@mccarthy.ca / nstewart@mccarthy.ca

MONITOR'S DISCHARGE CERTIFICATE

1. All capitalized terms used in this Monitor's Discharge Certificate and not otherwise defined shall have the meaning ascribed to such terms in the Order issued by the Honourable Madam Justice K.M. Horner of the Court of Queen's Bench of Alberta, in the within proceedings, on July 13, 2021 (the "**Discharge Order**").
2. Pursuant to the Discharge Order, among other things, the Court provided for the discharge of the Monitor, upon the filing of a certificate, by the Monitor, confirming that all remaining and residual funds have been distributed.

THE MONITOR HEREBY CONFIRMS AND CERTIFIES THE FOLLOWING:

1. All remaining and residual funds have been distributed.

DATED THIS _____ DAY OF _____, 2021.

FTI CONSULTING CANADA INC., in its capacity as the court-appointed monitor of QUICKSILVER RESOURCES CANADA INC., 0942065 B.C. LTD., and 0942069 B.C. LTD., and not in its personal or corporate capacity

Per: _____
Name:
Title: