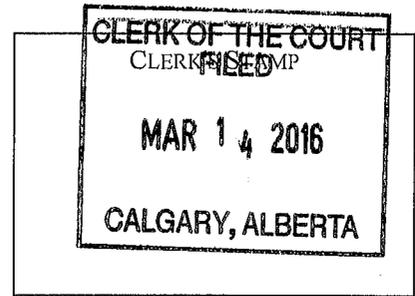


FORM 27
[RULES 6.3 AND 10.52(1)]



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

DOCUMENT

APPLICATION BY QUICKSILVER RESOURCES CANADA INC.

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7
Attention: Chris Simard
Telephone No.: 403-298-4485
Fax No.: 403-265-7219
Client File No.: 39944.88

NOTICE TO RESPONDENTS

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

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

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

Date: March 29, 2016
Time: 10:00 a.m.
Where: Calgary Courts Centre
601 5th Street SW, Calgary, Alberta
Before Whom: The Honourable Mr. Justice D.B. Nixon, on the Commercial List

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. Quicksilver Resources Canada Inc. ("**Quicksilver Canada**") seeks the following relief:
 - (a) An Order declaring that the within Application is properly returnable on March 29, 2016 and that service of this Notice of Application on the service list is validated and deemed good and sufficient.
 - (b) An Order substantially in the form attached hereto as Schedule "A", including but not limited to:
 - (i) approving the transaction (the "**Transaction**") contemplated by the March 1, 2016 Asset Purchase Agreement entered into between CPC Resources ULC (the "**Purchaser**") and Quicksilver Canada (the "**Horseshoe Canyon APA**", a copy of which is marked as **Exhibit "1"** to the March 14, 2016 Affidavit of Adam Dunayer, hereinafter the "**Dunayer Affidavit**") (capitalized terms used but not defined in this Affidavit are intended to bear their meanings as defined in the Horseshoe Canyon APA);
 - (ii) authorizing Quicksilver Canada to complete the Transaction;
 - (iii) directing that upon the closing of the Transaction no Purchased Contract Counterparty may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right to terminate, change or otherwise replace the operator of any Purchased Assets, or otherwise prevent the assignment of such operatorship from the operator to its designated assignee) or make any demand under or in respect of any such Purchased Contract, and no automatic termination or exercise of rights or remedies will have any validity or effect, by reason of: (i) any event that occurred on or prior to closing of the Transaction and is not continuing or has not been waived that would entitle such Purchased Contract Counterparty to enforce those rights and remedies (including, without limitation, the Debtor's being or

having admitted it is insolvent or its having commenced the within insolvency proceedings or having obtained any statutory or judicial relief in the within proceedings); or (ii) the Debtor's entering into and performing its obligations under the Sale Agreement and the closing of the Transaction, including the sale and assignment of the Purchased Contracts by the Debtor to the Purchaser and the change in ownership and control of the Purchased Assets (collectively, the "Debtor's Insolvency Defaults");

- (iv) directing that each Purchased Contract Counterparty shall be deemed to have waived the Debtor's Insolvency Defaults and any defaults or breaches of covenants, representations, warranties, undertakings, obligations or other agreements arising directly or indirectly therefrom under the applicable Assigned Contracts; and
 - (v) ordering that upon delivery of the closing certificate by FTI Consulting Canada Inc. the Court-appointed Monitor of the Applicants (the "**Monitor**" and the "**Monitor's Certificate**") in these proceedings to the Purchaser, all of Quicksilver Canada's right, title and interest in and to the Oil and Gas Assets shall vest in the Purchaser, free and clear of all interests, liens, charges and encumbrances, other than permitted encumbrances, as set out in the Approval and Vesting Order.
- (c) An Order substantially in the form attached hereto as Schedule "B", sealing the Confidential Supplement to the First Report of the Monitor.

2. Such further and other relief as this Honourable Court may deem just in all of the circumstances.

Grounds for making this application:

The Sale Approval and Vesting Order

3. On March 8, 2016, the Applicants commenced an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and were granted an Initial Order (the "**Initial Order**") (the "**CCAA Proceedings**").

4. On or around September 17, 2015 Quicksilver Canada, with the assistance of Houlihan Lokey Capital, Inc. ("**Houlihan**"), commenced a formal sale process to sell its shares or assets (the "**QRCI Sale Process**").
5. Quicksilver Canada, with the assistance of Houlihan, has conducted a thorough and comprehensive canvassing of the market, and all alternatives and expressions of interest for the Oil and Gas Assets were properly and thoroughly pursued.
6. The Purchaser made a formal bid for the assets of the Quicksilver Canada Group in the QRCI Sale Process (the "**CPC Resources Bid**"). The CPC Resources Bid was the highest and best overall bid received for the Oil and Gas Assets, both in terms of purchase price and with respect to certainty of the purchaser's ability to close the Transaction, and other material terms of the Transaction.
7. The Monitor was kept apprised throughout the QRCI Sales Process and is satisfied that a sufficient effort was made to get the best price and that further marketing efforts are not required.

The Sealing Order

8. The Confidential Supplement to the First Report of the Monitor, to be filed, will contain and discuss matters of a highly sensitive commercial nature, and their publication before the contemplated approval application could result in serious commercial damage to the Debtors and the Purchaser and could prejudice any future sales process, in the event that the Transaction does not close, to the detriment of the Debtors' stakeholders.
9. The sealing order is the least restrictive and prejudicial alternative to prevent the dissemination of commercially sensitive information about the Transaction and Transaction Documents, and commercially sensitive information about the Purchaser, the Debtors, and their respective stakeholders.
10. It is fair and just in the circumstances to restrict public access to the Confidential Appendices to the Report.

General

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

Material or evidence to be relied on:

12. The pleadings and proceedings had and taken in this Action, including the Dunayer Affidavit, filed;
13. The Monitor First Report and the Confidential Supplement thereto; and
14. Such further or other material or evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

15. Part 6, Division 1 of the *Alberta Rules of Court*; and
16. Such further and other rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

17. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
18. *Judicature Act*, R.S.A. 2000, c. J-2, s. 13(2); and
19. Such further and other Acts and Regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

20. None.

How the application is proposed to be heard or considered:

21. In person before the presiding Justice on the Commercial List.

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.

SCHEDULE "A"

PROPOSED APPROVAL AND VESTING ORDER

CLERK'S STAMP

COURT FILE NUMBER 1601-03113

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

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

DOCUMENT **ORDER (Approval and Vesting)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500 Bankers Hall East
855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard / Kevin Zych
Tel No.: 403-298-4485 / 416-777-5738
Fax No.: 403-265-7219 / 416-863-1716
Client File No.: 39944.88

DATE ON WHICH ORDER WAS PRONOUNCED: March 29, 2016

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary

NAME OF JUSTICE WHO MADE THIS ORDER: D.B. Nixon

UPON the application of Quicksilver Resources Canada Inc. (the "Applicant", "QRCI" or the "Debtor") for an Order approving the sale transaction (the "Transaction") contemplated by an Asset Purchase Agreement between the Applicant and CPC Resources ULC (the "Purchaser") made as of March 1, 2016 (the "Sale Agreement") and attached as Exhibit "1" to the Affidavit of Adam Dunayer dated March 14, 2016 (the "Dunayer Affidavit"), filed, and vesting in the

Purchaser the Applicant's right, title and interest in and to the Oil and Gas Assets (as defined in the Sale Agreement and hereinafter the "Purchased Assets"); AND UPON having read the Dunayer Affidavit and the First Report of FTI Consulting Canada Inc., the Court-appointed Monitor of the Applicant (the "Monitor"), filed; and the Confidential Supplement thereto; AND UPON hearing the submissions of counsel for the Applicant, the Monitor, the Purchaser and other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.
2. The Transaction is hereby approved, and the Sale Agreement is declared to be commercially reasonable and in the best interests of QRCI and its stakeholders. The execution of the Sale Agreement by QRCI is hereby authorized, ratified, confirmed and approved, with such minor amendments as QRCI may deem necessary. QRCI is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. Upon the delivery of a Monitor's Certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Monitor's Certificate"), all of QRCI's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing:
 - (a) any Encumbrances or Charges (as created by and defined in the Initial Order of the Honourable Mr. Justice D.B. Nixon dated March 8, 2016 and any other Orders granted in this Action);

- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, the *Mines and Minerals Act*, the *Land Titles Act* or any other personal, mineral or real property registry system; and
- (c) those Claims listed in Schedule "B" hereto;

(all of which are collectively referred to as the "Encumbrances") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. Upon the delivery of the Monitor's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees:

- (a) the Registrar of Land Titles of Alberta (the "Registrar") is hereby authorized, requested, and directed to:
 - (i) cancel the existing Certificates of Title for the Lands (as defined and set out in Schedule "C" hereto);
 - (ii) enter the Purchaser as the owner and/or lessee of the mines and minerals comprising the Purchased Assets (as defined in the Sale Agreement) (the "Real or Mineral Property");
 - (iii) delete and expunge from title to the Real or Mineral Property all of the Claims listed in Schedule "B" hereto;
 - (iv) issue new Certificates of Title for the Lands in the name of the Purchaser (or its nominee); and
 - (v) register such transfers, discharges, discharge statements or conveyances, as may be required to convey clear title to the Lands to the Purchaser (or its nominee), which Certificates of Title shall be subject only to those encumbrances (the "Permitted Encumbrances") as defined in the Sale Agreement and/or listed on Schedule "D" hereto; and

- (b) the Department of Energy and the Minister of Energy is hereby authorized, requested, and directed to:
- (i) enter the Purchaser as the owner and/or lessee of the mines and minerals comprising the Real or Mineral Property subject only to the Permitted Encumbrances as defined in the Sale Agreement and/or listed on Schedule "D" hereto; and
 - (ii) delete and expunge from title to the Real or Mineral Property all of the Claims listed in Schedule "B" hereto.
5. This Order shall be registered by the 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, which appeal period is expressly waived.
6. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to 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.
7. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against QRCI.
8. The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

9. 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 Debtor, or any person claiming by or through or against the Debtor. All Assigned Contracts, including any Post-Closing Consent Contracts (each as defined in the Sale Agreement) for which a consent is obtained in accordance with the Sale Agreement or in respect of which a further Order of this Court is made pursuant to Section 11.3 of the CCAA (collectively, "Purchased Contracts") are and shall remain in full force and effect, unamended, upon the closing of the Transaction, and no person that is a party to any such Purchased Contracts (a "Purchased Contract Counterparty") may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right to terminate, change or otherwise replace the operator of any Purchased Assets, or otherwise prevent the assignment of such operatorship from the operator to its designated assignee) or make any demand under or in respect of any such Purchased Contract, and no automatic termination or exercise of rights or remedies will have any validity or effect, by reason of: (i) any event that occurred on or prior to closing of the Transaction and is not continuing or has not been waived that would entitle such Purchased Contract Counterparty to enforce those rights and remedies (including, without limitation, the Debtor's being or having admitted it is insolvent or its having commenced the within insolvency proceedings or having obtained any statutory or judicial relief in the within proceedings); or (ii) the Debtor's entering into and performing its obligations under the Sale Agreement and the closing of the Transaction, including the sale and assignment of the Purchased Contracts by the Debtor to the Purchaser and the change in ownership and control of the Purchased Assets (collectively, an "Debtor's Insolvency Defaults"). Each Purchased Contract Counterparty shall be deemed to have waived the Debtor's Insolvency Defaults and any defaults or breaches of covenants, representations, warranties, undertakings, obligations or other agreements arising directly or indirectly therefrom under the applicable Assigned Contracts.
10. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Debtor.

11. The Monitor shall file with the Court a copy of the Monitor's Certificate, concurrent with the delivery thereof to the Purchaser.
12. Pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and section 20(e) of the Alberta *Personal Information Protection Act*, QRCI is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in the Sale Agreement. 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 by the Debtor.
13. Notwithstanding:
 - (a) the pendency of these proceedings;
 - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of QRCI and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made in respect of the QRCI;

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

14. The Debtor, the Purchaser (or its nominee), the Monitor and any other interested party, shall be at liberty to apply for further advice, assistance and directions 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.

15. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist QRCI, the Monitor and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to QRCI and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist QRCI and the Monitor and their agents in carrying out the terms of this Order.

J.C.Q.B.A

SCHEDULE "A"
FORM OF MONITOR'S CERTIFICATE

COURT FILE NUMBER 1601-03113

COURT COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY

Clerk's Stamp

APPLICANT

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

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

DOCUMENT

MONITOR'S CERTIFICATE

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500 Bankers Hall East
855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard / Kevin Zych
Tel No.: 403-298-4485 / 416-777-5738
Fax No.: 403-265-7219 / 416-863-1716
Client File No.: 39944.88

RECITALS

- A. Pursuant to an Order of the Honourable Mr. Justice D.B. Nixon of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated March 8, 2016, FTI Consulting Canada Inc. was appointed as the monitor (the "Monitor") of the undertaking, property and assets of the applicants in this Action, including Quicksilver Resources Canada Inc. (the latter of which is hereinafter referred to as the "Debtor").

- B. Pursuant to an Order of the Court dated March 29, 2016, the Court approved the Asset Purchase and Agreement made as of March 1, 2016 (the "Sale Agreement") between the Debtor and CPC Resources ULC (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 Monitor 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 Article X of the Sale Agreement have been satisfied or waived by QRCI and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and QRCI 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 Article X of the Sale Agreement have been satisfied or waived by QRCI and the Purchaser (or its nominee);
3. The Transaction has been completed to the satisfaction of the Monitor; and
4. This Certificate was delivered by the Monitor at _____ on _____, 2016.

FTI Consulting Canada Inc., in its capacity as Monitor of Quicksilver Resources Canada Inc., 0942065 B.C. Ltd. and 0942069 B.C. Ltd. and not in its personal capacity.

Per: _____

Name:

Title:

SCHEDULE "B"

Claims

1. *Personal Property Security Act (Alberta)*

| | |
|--------------------------|---|
| Registration Number: | 11083138783 |
| Registration Type: | Security Agreement |
| Registration Date: | 2011-Aug-31 |
| Expiry Date: | 2021-Aug-31 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | JPMorgan Chase Bank, N.A. |
| Collateral: General: | All of the debtor's present and after-acquired personal property, tangible and intangible, in each case, of every nature and kind and wherever situate. |

| | |
|--------------------------|-----------------------------------|
| Registration Number: | 11083138902 |
| Registration Type: | Land Charge |
| Registration Date: | 2011-Aug-31 |
| Expiry Date: | Current |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | JPMorgan Chase Bank, N.A. |

| | |
|----------------------------------|---|
| Registration Number: | 12030811764 |
| Registration Type: | Security Agreement |
| Registration Date: | 2012-Mar-08 |
| Expiry Date: | 2016-Mar-08 |
| Debtor(s): | McGregor, Robert, William Quicksilver Resources Canada |
| Secured Party / Parties: | Honda Canada Finance Inc. |
| Collateral: Serial Number Goods: | 2HNYD2H83CH001778 2012 Acura MDX |

| | |
|----------------------------------|-----------------------------------|
| Registration Number: | 12042011184 |
| Registration Type: | Security Agreement |
| Registration Date: | 2012-Apr-20 |
| Expiry Date: | 2017-Apr-20 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Summit Acceptance Corp. |
| Collateral: Serial Number Goods: | WAUWFBFR1CA026001 2012 Audi A5 |

| | |
|----------------------------------|-----------------------------------|
| Registration Number: | 12071308342 |
| Registration Type: | Security Agreement |
| Registration Date: | 2012-Jul-13 |
| Expiry Date: | 2017-Jul-13 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Summit Acceptance Corp. |
| Collateral: Serial Number Goods: | 3GTP2WE9CG299302 2012 GMC 1500 |

| | |
|--------------------------|---|
| Registration Number: | 12092718410 |
| Registration Type: | Security Agreement |
| Registration Date: | 2012-Sep-27 |
| Expiry Date: | 2012-Sep-27 |
| Debtor(s): | Quicksilver Resources Inc. (<i>Inexact Match</i>) |
| Secured Party / Parties: | JPMorgan Chase Bank, N.A., Toronto Branch |
| Collateral: General: | 1,025,841 Common Shares in the capital of Quicksilver Resources Canada Inc. including (a) all rights, title, powers, privileges, remedies and interests of the debtor as the holder of such shares and under the organizational documents of Quicksilver Resources Canada Inc., (b) all dividends, cash, instruments, rights to subscribe, purchase or sell and all other rights and property from time to time received, receivable or otherwise distributed in respect of or in exchange for such shares, (c) all replacements, additions to and substitutions for any of the property referred to herein, including, without limitation, claims against third parties, (d) the proceeds, interest, profits and other income of or on any of the property referred to herein, (e) all security entitlements in respect of any of the foregoing and (f) all books and records relating to the collateral and any of the property referred to herein. |
| Proceeds: | goods, inventory, chattel paper, documents of title, instruments, money, intangibles, accounts and investment property (all as defined in the Personal Property Security Act) and insurance proceeds. |

| | |
|----------------------------------|-----------------------------------|
| Registration Number: | 12111614636 |
| Registration Type: | Security Agreement |
| Registration Date: | 2012-Nov-16 |
| Expiry Date: | 2018-Nov-16 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Summit Acceptance Corp. |
| Collateral: Serial Number Goods: | 1C6RR7NT0DS548784 2013 Dodge 1500 |
| Additional Information: | Lessee Unit #50048 |

| | |
|----------------------------------|-----------------------------------|
| Registration Number: | 13040318479 |
| Registration Type: | Security Agreement |
| Registration Date: | 2013-Apr-03 |
| Expiry Date: | 2018-Apr-03 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Summit Acceptance Corp. |
| Collateral: Serial Number Goods: | 1FTFW1EV0AFC31336 2010 Dodge 1500 |
| Additional Information: | Unit 50207 |

[Ntd: Buyer understood that this vehicle had been purchased by Seller. Seller to confirm whether security has been released.]

| | |
|----------------------------------|---------------------------------------|
| Registration Number: | 13050638169 |
| Registration Type: | Security Agreement |
| Registration Date: | 2013-May-06 |
| Expiry Date: | 2018-May-06 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Summit Acceptance Corp. |
| Collateral: Serial Number Goods: | 3C6UR5NL8DG555200 2013 Dodge Ram 2500 |
| Additional Information: | Unit 50176 |

| | |
|----------------------------------|-----------------------------------|
| Registration Number: | 13102505698 |
| Registration Type: | Security Agreement |
| Registration Date: | 2013-Oct-25 |
| Expiry Date: | 2017-Oct-25 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Honda Canada Finance Inc. |
| Collateral: Serial Number Goods: | 5FRYD4H86EB503189 2014 Acura |

| | |
|----------------------------------|---------------------------------------|
| Registration Number: | 14010621414 |
| Registration Type: | Security Agreement |
| Registration Date: | 2014-Jan-06 |
| Expiry Date: | 2019-Jan-06 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Summit Acceptance Corp |
| Collateral: Serial Number Goods: | 3C6TR5DT9EG198754 2014 Dodge Ram 2500 |

| | |
|----------------------------------|---------------------------------------|
| Registration Number: | 14010621481 |
| Registration Type: | Security Agreement |
| Registration Date: | 2014-Jan-06 |
| Expiry Date: | 2019-Jan-06 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Summit Acceptance Corp |
| Collateral: Serial Number Goods: | 3C6TR5DT0EG198755 2014 Dodge Ram 2500 |

| | |
|----------------------------------|---|
| Registration Number: | 14010621541 |
| Registration Type: | Security Agreement |
| Registration Date: | 2014-Jan-06 |
| Expiry Date: | 2019-Jan-06 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Summit Acceptance Corp |
| Collateral: Serial Number Goods: | 3C6TR5DT2EG198756 [Ntd: Error in PPSA. Serial number should be 3C6TR5DT2E6198756] |

| | |
|----------------------------------|---------------------------------------|
| Registration Number: | 14010621838 |
| Registration Type: | Security Agreement |
| Registration Date: | 2014-Jan-06 |
| Expiry Date: | 2019-Jan-06 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Summit Acceptance Corp |
| Collateral: Serial Number Goods: | 3C7WRNFL1EG135007 2014 Dodge Ram 2500 |

| | |
|----------------------------------|---|
| Registration Number: | 14022133632 |
| Registration Type: | Security Agreement |
| Registration Date: | 2014-Feb-21 |
| Expiry Date: | 2020-Feb-21 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Summit Acceptance Corp |
| Collateral: Serial Number Goods: | 5005EH0613076 2014 Auto Crane 500EH Crane |

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|----------------------------------|--|
| Registration Number: | 14022133792 |
| Registration Type: | Security Agreement |
| Registration Date: | 2014-Feb-21 |
| Expiry Date: | 2020-Feb-21 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Summit Acceptance Corp |
| Collateral: Serial Number Goods: | V900126ABL026 2014 VMAC VR70 Underhood |

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|----------------------------------|--|
| Registration Number: | 14062536222 |
| Registration Type: | Security Agreement |
| Registration Date: | 2014-Jun-25 |
| Expiry Date: | 2018-Jun-25 |
| Debtor(s): | Quicksilver Resources Canada Inc. (Inexact Match) |
| Secured Party / Parties: | Mercedes-Benz Financial Services Canada Corporation Mercedes-Benz Financial |
| Collateral: Serial Number Goods: | WDDGJ8JB3EG221421 2014 Mercedes-Benz C350C4M |
| Collateral: General: | All attachments, accessories, additions, alternations, replacements & repairs (whether present or future) to the vehicle collateral. Proceeds: all cash and non-cash proceeds of the vehicle collateral including without limitation proceeds derived directly or indirectly from any dealing with the vehicle collateral or that indemnifies or compensates the debtor (s) for the destruction or damage to or loss of the vehicle collateral. The proceeds may take the form of any or more of the following: goods, documents of title, chattel paper, instruments, money, securities or intangibles. Accordingly, any of the debtor (s) after-acquired personal property may be proceeds and therefore subject to the secured party's security interest. |

| | |
|----------------------------------|---|
| Registration Number: | 14070441956 |
| Registration Type: | Security Agreement |
| Registration Date: | 2014-Jul-04 |
| Expiry Date: | 2020-Jul-04 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Shaw GMC Chevrolet Buick Inc. Summit Acceptance Corp |
| Collateral: Serial Number Goods: | 3GCUKSECXEG506996 2014 Chev K2500 |

| | |
|--------------------------|--|
| Registration Number: | 15032033857 |
| Registration Type: | Security Agreement |
| Registration Date: | 2015-Mar-20 |
| Expiry Date: | 2017-Mar-20 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Formula Powell L.P. |
| Collateral: General: | 1 – 400 BBL Tank; s/n #10974 2 – 400 BBL Tank; s/n #15252 3 – 400 BBL Tank; s/n #6926 4 – 400 BBL Tank; s/n #6923 5 – 400 BBL Tank; s/n #6938 6 – 400 BBL Tank; s/n #10914 7 – 400 BBL Tank; s/n #10919 8 – 400 BBL Tank; s/n #8024-8 9 – 400 BBL Tank; s/n #10896 10 – 400 BBL Tank; s/n #10900 11 – 400 BBL Tank; s/n #10971 12 – 400 BBL Tank; s/n #100298 13 – 400 BBL Tank; s/n #6928 14 – 400 BBL Tank; s/n #10972 15 – 400 BBL Tank; s/n #15290 And all attachments, accessories and parts thereof, accessions thereto, replacements, substitutions, additions and improvements and all proceeds in any forms derived directly or indirectly thereof including rights of insurance payments or any other payments as indemnity or compensation for loss or damage to the collateral or proceeds of collateral. |

| | |
|----------------------------------|-----------------------------------|
| Registration Number: | 15101930884 |
| Registration Type: | Security Agreement |
| Registration Date: | 2015-Oct-19 |
| Expiry Date: | 2021-Oct-19 |
| Debtor(s): | Quicksilver Resources Canada Inc. |
| Secured Party / Parties: | Formula Powell L.P. |
| Collateral: Serial Number Goods: | 1FTEW1EG8FKe32171 2015 Ford F150 |

2. Litigation

Judicial Actions (Alberta Province Wide)

| | |
|-----------------|-----------------------------------|
| Action Number: | Q0601 12671 |
| Plaintiff: | Quicksilver Resources CA |
| Defendant: | Quicksilver Resources CA |
| Type of Action: | St. of Claim – Accounting |
| Last Action: | Satisfaction Piece (Oct 16, 2015) |

| | |
|-----------------|-------------------------------------|
| Action Number: | Q1503 07813 |
| Plaintiff: | Quicksilver Resources CA |
| Defendant: | Quicksilver Resources CA |
| Type of Action: | Statement Claim Judgment |
| Last Action: | Statement of Defence (Jun 23, 2015) |

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|-----------------|-----------------------------------|
| Action Number: | Q0601 12671 |
| Plaintiff: | Encana Corp. |
| Defendant: | Quicksilver Resources CA |
| Type of Action: | St. of Claim – Accounting |
| Last Action: | Satisfaction Piece (Oct 16, 2015) |

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|-----------------|--|
| Action Number: | Q0701 08933 |
| Plaintiff: | Quicksilver Resources CA Barnwell of Canada Ltd. |
| Defendant: | Quicksilver Resources CA |
| Type of Action: | Statement of Claim Order |
| Last Action: | Discontinuance C/Claim (Feb 26, 2010) |

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|-----------------|-------------------------------------|
| Action Number: | Q0801 16048 |
| Plaintiff: | Quicksilver Resources CA |
| Defendant: | Quicksilver Resources CA |
| Type of Action: | State Claim – Declaration |
| Last Action: | Statement of Defence (Aug 10, 2010) |

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|-----------------|---|
| Action Number: | Q1101 17577 |
| Plaintiff: | Quicksilver Resources CA |
| Defendant: | Quicksilver Resources CA |
| Type of Action: | State Claim – Declaration |
| Last Action: | Order Consolidate Files 01 (Feb 19, 2015) |

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|-----------------|---|
| Action Number: | Q1301 08232 |
| Plaintiff: | Edwards, Clifford Edwards-Sawatzky, Beverl* |
| Defendant: | Quicksilver Resources CA |
| Type of Action: | Statement Claim – Damages |
| Last Action: | File Closed (Feb 27, 2015) |

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|-----------------|---------------------------|
| Action Number: | Q1412 00032 |
| Plaintiff: | Craft, Ann |
| Defendant: | Quicksilver Resources CA |
| Type of Action: | Statement Claim – Damages |
| Last Action: | None listed |

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|-----------------|--|
| Action Number: | Q1501 05036 |
| Plaintiff: | Reiter, Zane Zelta Capital Partners L |
| Defendant: | Quicksilver Resources CA |
| Type of Action: | Statement Claim Judgment |
| Last Action: | Appl Appeal Master Decism (Dec 14, 2015) |

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|-----------------|---|
| Action Number: | Q1503 07813 |
| Plaintiff: | Her Majesty The Queen, A Minister of Energy |
| Defendant: | Quicksilver Resources CA |
| Type of Action: | Statement Claim Judgment |
| Last Action: | Statement of Defence (Jun 23, 2015) |

SCHEDULE "C"

"Real Property Claims"

SCHEDULE "D"

"Permitted Encumbrances"

SCHEDULE "B"

SEALING ORDER

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

DOCUMENT

SEALING ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard
Telephone No.: 403-298-4485
Fax No.: 403-265-7219
Client File No.: 39944.88

DATE ON WHICH ORDER WAS PRONOUNCED: March 29, 2016

LOCATION OF HEARING OR TRIAL: Calgary Courts Centre

NAME OF JUDGE WHO MADE THIS ORDER: Justice D. B. Nixon

UPON THE APPLICATION of Quicksilver Resources Canada Inc. ("Quicksilver Canada"); AND UPON reading the Application of Quicksilver Canada filed March 14, 2016, the Affidavit of Adam Dunayer sworn March 14, 2016, the Report of FTI Consulting Canada Inc. (the "Monitor" and the "Report") and the Confidential Supplement thereto (the "Confidential

Supplement"); AND UPON hearing the submissions of counsel for Quicksilver, the Monitor, and any other parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of the Notice of Application for this Order is hereby validated and deemed good and sufficient, this application is properly returnable today, and no person other than those persons served is entitled to service of the Notice of Application.
2. The Confidential Supplement to the Report shall be sealed on the Court file and shall not form part of the public record, notwithstanding Division 4, Part 6 of the *Alberta Rules of Court*.
3. The Clerk of this Honourable Court shall file the Confidential Supplement in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED BY QUICKSILVER RESOURCES CANADA INC. THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO THE SEALING ORDER ISSUED BY MR. JUSTICE D. B. NIXON ON MARCH 29, 2016.

4. Quicksilver shall serve by courier, fax transmission, email transmission or ordinary post, a copy of this Order on all parties present at this Application and such service shall be deemed good and sufficient for all purposes.

J.C.Q.B.A. or Clerk of the Court