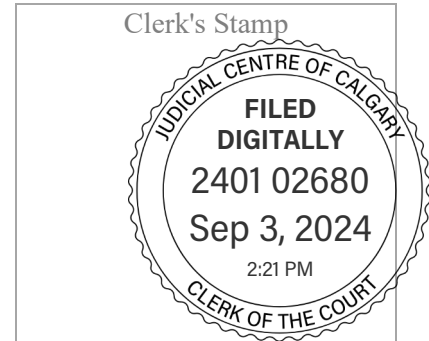


FORM 27
[RULES 6.3 AND 10.52(1)]

COURT FILE NO. 2401-02680
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *COMPANIES' CREDITS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF RAZOR ENERGY CORP., RAZOR HOLDINGS GP CORP., AND BLADE ENERGY SERVICES CORP.

DOCUMENT **APPLICATION OF CONIFER ENERGY INC.**
(Declaration Re: Post-Filing Costs)

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: Keely Cameron / Sarah Aaron
Telephone No.: 403-298-3324 / 3177
Fax No.: 403-265-7219
Client File No.: 91565.2

NOTICE TO RESPONDENT(S): RAZOR ENERGY CORP.; RAZOR HOLDINGS GP CORP., AND BLADE ENERGY SERVICES CORP.

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

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

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

Date: September 11, 2024
Time: 10:00 a.m.
Where: Calgary Court Centre
Before Whom: The Honourable Justice D. R. Mah

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. Conifer Energy Inc. ("**Conifer**") applies for an Order (substantially in the form attached hereto as **Schedule "A"** hereto):
 - (a) ordering and declaring that:
 - (i) Razor Energy Corp. ("**Razor**") is obligated to pay to Conifer all the amounts owing to Conifer with respect to all goods and services provided by Conifer under the Agreement for the Construction, Ownership and Operation of the Judy Creek Gas Conservation Plant ("**Judy Creek Gas Plant**") dated March 1, 2011 ("**CO&O**") and Exhibit "A" to the CO&O (the "**Operation Procedure**") attached as Exhibit "A" and Exhibit "B", respectively, to the Affidavit #1 of Doug Bailey sworn on February 13, 2024 from and after the date of the Initial Order (the "**Initial Order**") granted herein on February 28, 2024 (collectively, the "**Post-Filing Arrears**");
 - (ii) Razor is obligated to pay to Conifer all post-filing amounts owed by Razor to Canadian Natural Resources Limited ("**CNRL**") that CNRL now seeks from Conifer (the "**CNRL Post-Filing Arrears**", collectively with the Post-Filing Arrears, the "**Arrears**") prior to any repayment of creditors of Razor;
 - (iii) Directing Razor to pay the Arrears to Conifer by September 20, 2024;
 - (iv) Granting Conifer a charge for the Arrears on the Property and current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, which ranks only behind the Administration Charge and Directors' Charge or a constructive trust as against the Property in the amount of the Post-Filing Costs outstanding, from time to time;
 - (v) all of Razor's audit rights with respect to the Post-Filing Costs, as provided for in the CO&O and at law, are expressly preserved; and
 - (b) granting such further and other relief as this Honourable Court seems just.

Grounds for making this application:

2. On January 30, 2024, Razor, Blade Energy Services Corp., Razor Royalties Limited Partnership, and Razor Holdings GP Corp. filed Notice of Intention to Make a Proposal ("**NOI**"). On February 28, 2024, Razor sought and obtained the Initial Order from the Court of King's Bench of Alberta granting, among other things, a continuation of the NOI proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended.

3. Conifer and Razor are parties to the CO&O, pursuant to which Conifer and Razor both own interests in Judy Creek Gas Plant and the South Swan Hills Unit. Conifer is Operator of the Judy Creek Gas Plant and provides services through the maintenance of the Judy Creek Gas Plant and processing of Razor's gas.
4. Razor's interest in these assets form part of an offer to purchase that Razor is currently pursuing and we understand that in accordance with the position taken by the Alberta Energy Regulator and Orphan Well Association in these proceedings, that recover by Razor's creditors in these proceedings will depend on Razor being able to sell or otherwise monetize all of its oil and gas assets.
5. Razor's production from its non-operated proportionate share of Swan Hills Unit No. 1 and Razor's 100% operated East Swan Hills Unit continues to flow through the Judy Creek Gas Plant through Swan Hills Unit No. 1 and Conifer's operated South Swan Hills Gas Gathering System. Razor is the operator of the South Swan Hills Unit, within which Conifer holds a 9% working interest and CNRL is the operator of Swan Hills Unit No. 1, which both Conifer and Razor own an interest in 24% and 37.8%, respectively.
6. As an owner and Operator of the Judy Creek Gas Plant, Conifer manages access to capacity at the Judy Creek Gas Plant and it is responsible for ensuring the proper operation of the Judy Creek Gas Plant. Conifer holds a 54.8% interest in the facility participation and ownership of the Judy Creek Gas Plant. Razor holds a 38.2% interest in the facility participation and ownership of the Judy Creek Plant. Eight other corporations have varying ownership interests in the functional units that make up the facility.
7. Due to Razor's ongoing breaches and failure to pay its share of billings for processing of its gas production at the Judy Creek Gas Plant, prior to the NOI, Conifer took steps to limit its damages by locking out 16 of Razor's connection points to the Judy Creek Gas Plant.
8. On February 13, 2024, Razor made an application to the Court of King's Bench of Alberta seeking a direction that Conifer immediately cease restricting Razor's access to the Judy Creek Gas Plant and resume processing Razor's gas and providing fuel gas to Razor. The Honourable Justice Michael J. Lema found that the disconnection of access to the Judy Creek Gas Plant and cessation of services by Conifer prior to the commencement of NOI proceedings was a continuous action that violated the associated stay of proceedings and directed Conifer to reconnect Razor to the Judy Creek Gas Plant.
9. Justice Lema noted that for future services, Conifer and Razor would have the same rights and liabilities under their agreements. Consistent with this, Conifer advised that it would provide re-entry in accordance with the terms of agreement and in a matter that would not require Conifer to advance credit. Despite Razor's own submission that it requires the revenue that is derived from the locked out oil and gas properties, including the processing of its gas, to fund Razor's working capital requirements and sales process, Razor has failed to seek re-entry from Conifer.

10. Conifer was not able to fully lock Razor out as locking out the gas from Swan Hills Unit No. 1 would have impacted other Owners and Non-Owner contracted users who also would have had to be locked out, reducing the total gas flows to a level where the Judy Creek Gas Plant cannot operate efficiently, causing further hardship to all Judy Creek Gas Plant partners.
11. Conifer is currently processing approximately 830 e³m³ of gas per month for Razor, which is approximately 1/3 of the volume of gas that Razor used to flow through the Judy Creek Gas Plant before the lock out.
12. Conifer is owed Post-Filing Arrears in the amount of \$1.89 million, as of September 2, 2024, for joint billings that include operating expenses, lease rentals and revenues, as well as operating deposit invoices. Razor has failed to pay these amounts.
13. On July 17, 2024, the Honourable Justice D.R. Mah granted an Order extending Razor's stay of proceedings but provided that the stay was extended on a without prejudice basis to any claim for the payment for goods, services, use of leased or licensed property after the filing of the Initial Order.
14. Conifer is no longer able to continue to wait for potential future payment of amounts owing. As a result of Razor's non-payment, CNRL, in its capacity as operator of Swan Hills Unit No. 1, has now sought to reallocate amounts owed by Razor to Conifer. CNRL is seeking greater than \$4.15 million from Conifer to cover Razor's arrears from July 1, 2020, with approximately \$360,000 of this being for CNRL Post-Filing Arrears. As such, not only is Conifer not being paid for services provided post filing, but now it is exposed to amounts owed by Razor to CNRL.
15. Conifer should not be required to unfairly and unwillingly bear the costs of Razor's restructuring efforts.
16. The Court should exercise its authority pursuant to the CCAA to grant an Order that Razor pay Conifer for providing services to Razor post-filing.

Materials or evidence to be relied on:

17. the Affidavit #1 of Doug Bailey sworn on February 13, 2024;
18. the Affidavit #7 of Doug Bailey sworn May 29, 2024;
19. the Affidavit #8 of Doug Bailey sworn July 10, 2024;
20. the Affidavit of Heather Wilkins, affirmed on February 15, 2024;
21. the Affidavit of Heather Wilkins, affirmed on June 3, 2024;

22. the Affidavit of Heather Wilkins, affirmed on September 3, 2024;
23. the Fourth Report of the Monitor dated May 30, 2024;
24. the Fifth Report of the Monitor dated July 12, 2024;
25. all pleadings had and taken herein; and
26. such further and other material as counsel may advise and this Honourable Court may deem admissible.

Applicable Rules:

27. Rule 6.3; and
28. such further and other Acts and Regulations as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

29. *Alberta Rules of Court*, Alta Reg 124/2010;
30. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36;
31. *Judicature Act*, RSA 2000, c J-2; and
32. 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:

33. None.

How the application is proposed to be heard or considered:

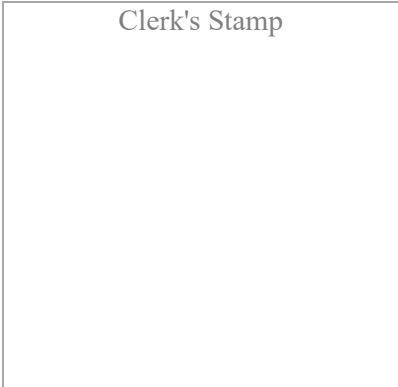
34. In Commercial Duty Chambers, before Justice Mah of the Court of King's Bench of Alberta via Webex.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this 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 to be heard or considered.

SCHEDULE "A"

COURT FILE NO. 2401-02680
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *COMPANIES' CREDITS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF RAZOR ENERGY CORP., RAZOR HOLDINGS GP CORP., AND BLADE ENERGY SERVICES CORP.

DOCUMENT **ORDER**
(Declaration Re: Post-Filing Costs)

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4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Keely Cameron / Sarah Aaron
Telephone No.: 403-298-3324 / 3177
Fax No.: 403-265-7219
Client File No.: 91565.2

DATE ON WHICH ORDER WAS PRONOUNCED: September 11, 2024

LOCATION OF HEARING OR TRIAL: Calgary, Alberta

NAME OF APPLICATIONS JUDGE/JUDGE WHO MADE THIS ORDER: The Honourable Justice D. R. Mah

UPON THE APPLICATION OF THE APPLICANT Conifer Energy Inc. ("**Conifer**"); AND UPON reading the Affidavit of Doug Bailey, sworn on February 13, 2024 (the "**Bailey Affidavit**"); AND UPON hearing from counsel for the Applicant and counsel for the Respondent;

IT IS ORDERED AND DECLARED THAT:

Service

1. The time for service of the notice of application for this Order is hereby abridged and deemed good and sufficient.

Post-Filing Costs

2. Razor is obligated to pay Conifer all the amounts owing to Conifer with respect to all goods and services provided by Conifer under the under the Agreement for the Construction, Ownership and Operation of the Judy Creek Gas Conservation Plant ("**Judy Creek Gas Plant**") dated March 1, 2011 ("**CO&O**") and Exhibit A to the CO&O (the "**Operation Procedure**") attached as Exhibit "A" and Exhibit "B", respectively, to the Bailey Affidavit, from and after the date of the Initial Order (the "**Initial Order**") granted herein on February 28, 2024 (collectively, the "**Post-Filing Arrears**").
3. Razor is obligated to pay to Conifer all post-filing amounts owed by Razor to Canadian Natural Resources Limited ("**CNRL**") that CNRL now seeks from Conifer (the "**CNRL Post-Filing Arrears**", collectively with the Post-Filing Arrears, the "**Arrears**").
4. Directing Razor to pay the Arrears to Conifer by September 20, 2024.
5. Conifer shall be entitled to the benefits of and is hereby granted a charge (the "**Post-Filing Costs Charge**") on the Property (as defined in the Amended and Restated Initial Order) to secure all the amounts owing to Conifer with respect to all goods and services provided by Conifer under the CO&O, from the date of the Initial Order (the "**Post-Filing Costs**").
6. Conifer is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs, and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as may be negotiated by Conifer and Razor, or as may be reasonably required by Conifer, and Razor

is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities, and obligations to Conifer under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

7. The Post-Filing Costs Charge shall form a third charge on the Property, subordinate only to the Administration Charge and Directors' Charge as defined in the ARIO, in priority to all other security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise.
8. In any transaction to be approved by this Court regarding the Property or the business of Razor, the Post-Filing Costs Charge shall not be vested off the Property, and shall remain as a retained liability of Razor or any successor of Razor, unless Conifer consents to different treatment of the Post-Filing Costs Charge.
9. Conifer may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Post-Filing Costs Charge or any of the Definitive Documents.
10. The rights and remedies of Conifer with respect to the Post-Filing Costs Charge shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of Razor or the Property.
11. Conifer shall be treated as unaffected in any plan of arrangement or compromise filed by Razor or any successor under the *Companies' Creditors Arrangement Act*, or any proposal filed by Razor or any successor under the *Bankruptcy and Insolvency Act* (the "**BIA**") with respect to the amounts secured by the Post-Filing Costs Charge.
12. The filing, registration or perfection of the Post-Filing Costs Charge shall not be required, and the Post-Filing Costs Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Post-Filing Costs Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

13. The Post-Filing Costs Charge shall not be rendered invalid or unenforceable and the rights and remedies of Conifer thereunder shall not otherwise be limited or impaired in any way by:

- a. the pendency of these proceedings and the declarations of insolvency made in this Order;
- b. any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
- c. the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
- d. the provisions of any federal or provincial statutes; or
- e. any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds Razor, and notwithstanding any provision to the contrary in any Agreement:
 - i. neither the creation of the Post-Filing Costs Charge nor the execution, delivery, perfection, registration or performance of any documents in respect thereof (including the Definitive Documents) shall create or be deemed to constitute a new breach by Razor of any Agreement to which it is a party;
 - ii. Conifer shall not have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Post-Filing Costs Charge or the execution, delivery or performance of the Definitive Documents; and
 - iii. any payments made by Razor pursuant to this Order, (including the Definitive Documents) and the granting of the Post-Filing Costs Charge, do not and will not constitute preferences, fraudulent conveyances,

transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

14. All of Razor's audit rights with respect to the Post-Filing Costs, as provided for in the CO&O and at law, are expressly preserved.
15. There shall be no costs of this application.

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