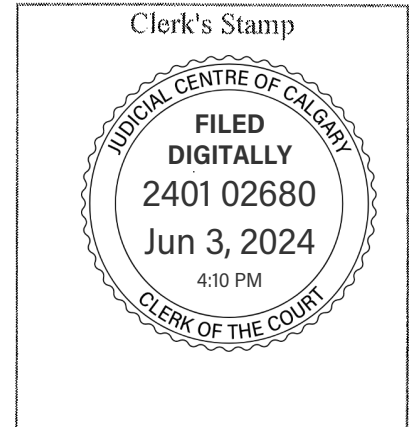


FORM 49
[RULE 13.19]

COURT FILE NO. 2401-02680
COURT COURT OF KING'S BENCH OF
ALBERTA IN BANKRUPTCY AND
INSOLVENCY
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 PLAN OF COMPROMISE OR ARRANGEMENT OF RAZOR ENERGY CORP., RAZOR HOLDINGS GP CORP., AND BLADE ENERGY SERVICES CORP.

DOCUMENT **AFFIDAVIT OF HEATHER WILKINS**

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
Fax No.: 403-265-7219
Client File No.: 91565.9

AFFIDAVIT OF HEATHER WILKINS

Affirmed June 3, 2024.

I, Heather Wilkins, of Calgary, Alberta, AFFIRM AND SAY THAT:

1. I am the Vice President Finance of Conifer Energy Inc. ("**Conifer**") and as such have personal knowledge of the matters described herein, except where stated to be based on information and belief, in which case I believe the same to be true.

2. Conifer is an energy production company with headquarters in Calgary, Alberta, specializing in the production and distribution of oil and natural gas predominantly in the areas of Judy Creek, Redwater and Greater Swan Hills. Conifer is a working interest partner in certain oil and gas assets in which Razor Energy Corp. ("**Razor**") also has an interest.
3. I have had an opportunity to review the Affidavit #7 of Doug Bailey sworn May 29, 2024 ("**Bailey Affidavit**") and Fourth Report of the Monitor dated May 30, 2024 ("**Fourth Report**"). I swear this affidavit in response to the Bailey Affidavit and Fourth Report, and to preserve the rights of Conifer.
4. Terms not otherwise defined herein, have the meaning provided in the Bailey Affidavit.

I. Judy Creek Gas Plant

5. Conifer and Razor both own interests in the Judy Creek Gas Conservation Plant ("**Judy Creek Gas Plant**") and the South Swan Hills Unit. Conifer is the operator of the Judy Creek Gas Plant and Razor is the operator of the South Swan Hills Unit.
6. The Judy Creek Gas Plant consists of several functional units. Conifer, Razor, and eight other Corporations have varying ownership interests in the functional units that make up the facility.
7. A critical component of the role of Operator is ensuring that the Owners pay amounts owing to ensure that there are sufficient funds available for the maintenance and operation of joint assets.
8. In December 2023, after providing multiple notices to Razor in respect of its significant arrears and given concerns that Conifer had with the accumulation of further arrears should Razor continue to fail to meet its obligations, Conifer disconnected Razor from the Judy Creek Gas Plant.
9. On February 16, 2024, Razor brought an application as part of proposal proceedings under the *Bankruptcy and Insolvency Act*, for a declaration that Conifer was in breach of the stay

of proceedings and for a direction that Conifer cease restricting Razor's access to the Judy Creek Gas Plant.

10. Justice Lema issued his decision on February 21, 2024 directing Conifer to restore the system connections that Razor had but also provided that for post-filing obligations, Conifer could rely on its contractual rights regarding payment ("**Decision**").
11. On this basis, Conifer reached out to Razor to discuss terms for providing access to the Judy Creek Gas Plant, which terms included providing payment in advance of services, in accordance with its contractual entitlement, no agreement was reached. No further requests have been made by Razor to regain access to the Judy Creek Gas Plant since on or before February 22, 2024.
12. Conifer filed notice to appeal the Decision on February 23, 2024.

II. Razor's Failure to Pay

13. Razor has refused to make any post-filing payments to Conifer. The Fourth Report states at paragraph 35(d) that the reason for non-payment is that Razor is disputing the charges given that Conifer has not processed Razor's gas.
14. Conifer is processing some of Razor's gas through the Judy Creek Gas Plant notwithstanding the disconnection. Razor's production from its non-operated proportionate share of Swan Hills Unit No. 1 and 100% operated East Swan Hills Unit continues to flow through the Judy Creek Gas Plant through the Swan Hills Gas Gathering System and Conifer's operated South Swan Hills Gas Gathering System.
15. Section 107 of the 1996 PASC Accounting Procedure that applies to the Operation of the Judy Creek Gas Plant does not permit an operator to withhold payment in the event of a dispute unless the Operator agrees. Attached hereto as **Exhibit "A"** is a true copy of the key provisions from the 1996 PASC Accounting Procedure.
16. Conifer as operator, has not agreed to payment being withheld.

17. Conifer does not consent to Razor's continuing breaches of its contractual obligations and failure to pay amounts owing to Conifer. Such failure to pay harms not only Conifer but other owners in the Judy Creek Gas Plant.

18. At the time of swearing this affidavit, Razor owes Conifer the following post filing amounts:

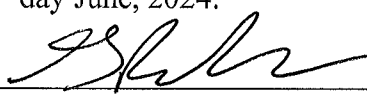
(a) \$563,413.66 in joint billings; and

(b) \$676,720.00 in deposit invoices.

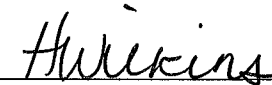
III. The Proposed Transaction

19. Conifer attended the Virtual Meeting held on May 22, 2024, to learn about the Potential Transactions.

20. On May 28, 2024, counsel for Conifer sent a letter to counsel for Razor and the Monitor setting out a number of questions regarding the Corporate Transaction and advising as to Conifer's concerns with the proposal articulated based on the limited information provided. No response has been received and Conifer continues to have a number of concerns.

AFFIRMED BEFORE ME)
at Calgary, Alberta, this)
3rd day June, 2024.)
)
_____)
A Commissioner for Oaths)
in and for Alberta)
)

Graham Bowden
Student-at-Law

)
_____)
HEATHER WILKINS

This is **Exhibit "A"** referred to in the Affidavit Heather Wilkins sworn before me this 3rd day of June, 2024



A Commissioner for Oaths in and for Alberta

Graham Bowden
Student-at-Law

PASC
PASC ACCOUNTING PROCEDURE

Recommended by the Petroleum Accountants Society of Canada

EXHIBIT " "

Attached to and a part of _____

ARTICLE I - GENERAL PROVISIONS

101. Definitions

In this Accounting Procedure the following words and phrases shall have the following respective meanings, namely:

- (a) "Administrative Services" means support services such as accounting, purchasing, clerical, secretarial, and administrative whether On-Site or not.
- (b) "Affiliate" means, with respect to the relationship between corporations, that one of them is controlled by the other or that both of them are controlled by the same person, corporation or body politic; and for this purpose a corporation shall be deemed to be controlled by those persons, corporations or bodies politic who own or effectively control, other than by way of security only, sufficient voting shares of the corporation (whether directly through the ownership of shares of the corporation or indirectly through the ownership of shares of another corporation which owns shares of the corporation) to elect the majority of its board of directors, provided that a partnership which is a party and which is comprised solely of corporations which are Affiliates, as described above, shall be deemed to be an Affiliate of each such corporation and its other Affiliates.
- (c) "Agreement" means the Agreement to which this Accounting Procedure is attached.
- (d) "Alliance" means a contractual arrangement whereby a third party provides services to the Operator and which involves the sharing of employees and/or office spaces.

- (e) "Completion" means the installation in, on, or with respect to a well of all such production casing, tubing and wellhead equipment and all such other equipment and material necessary for the permanent preparation of the well for the taking of petroleum substances therefrom up to and including the outlet valve on the wellhead and includes, as necessary, the perforating, stimulating, treating, fracturing and swabbing of the well and the conduct of such production tests with respect to such well as are reasonably required to establish the initial production of the well.
- (f) "Construction Project" means construction, abandonment and reclamation of facilities or installation activity undertaken for the Joint Account, including each subsequent addition thereto or alteration thereof and Equipping wells but does not include Drilling. For purposes of Clause 302 of this Accounting Procedure, each addition or alteration hereunder will be considered as a separate Construction Project except that multiple projects of a similar nature being constructed under a single program will be consolidated as a single Construction Project. Replacement of Material in kind should be considered Operations and Maintenance unless the Owners agree otherwise.
- (g) "Controllable Material" means Material which at the time is so classified in the Controllable Material Price Catalogue as most recently recommended by the Petroleum Accountants Society of Canada.
- (h) "Drilling" means all activities with respect to the drilling of a well, including surface access and the construction of roads to and from the site of the well, preparation of the site of the well, the installation of all surface and intermediate casing respecting the well, logging, coring, capping, deepening, abandoning, reclaiming, plugging back, sidetracking, re-drilling, production testing of a well or the converting of a well to a source, injection, observation or producing well and including stratigraphic tests, and includes Completion but does not include Equipping, routine clean-out and pump or rod pulling operations which are Operations and Maintenance. Without limiting the generality of the foregoing this also includes environmental or socioeconomic studies required by governmental authorities as a prerequisite to the issuance of approval for the drilling of such well.
- (i) "Equipping" means the installation of such equipment as is required to produce petroleum substances from a completed well, including, without restricting the generality of the foregoing, a pump (or other artificial lift equipment), the installation of the flow lines and production tankage serving the well and, if necessary, a heater, dehydrator or other wellsite facility for the initial treatment of petroleum substances produced from the well to prepare such production for transportation to market, but specifically excludes any such equipment, installation, or facility that is (or is intended to be) a production facility.

- (j) "Exploration" means geological, geophysical and geochemical examinations and other investigations relating to geology, and any related environmental studies, other than Drilling, for the purpose of defining field limits or defining development well locations, conducted pursuant to the terms of the Agreement.
- (k) "Initial Construction" means construction conducted to place the Joint Property on stream to the date of initial operations.
- (l) "Joint Account" means the account showing, in Canadian funds, the charges paid and credits received as a result of Joint Operations and which are to be shared by the Owners in accordance with the terms of the Agreement.
- (m) "Joint Operations" means Exploration, Drilling, Completion, Equipping, Construction Projects, and Operations and Maintenance activities conducted pursuant to the terms of the Agreement.
- (n) "Joint Property" means all property subject to the Agreement.
- (o) "Material" means equipment or supplies acquired for use in the conduct of Joint Operations, which shall be classified as follows:
 - (1) Condition "A" means that which is new;
 - (2) Condition "B" means that which has been used but is suitable for its original function without reconditioning;
 - (3) Condition "C" means that which has been used and would be suitable for its original function after reconditioning or that which cannot be reconditioned for, but has a limited service in, its original function;
 - (4) Condition "D" means that which is not suitable for its original function but is usable for another function;
 - (5) Condition "E" means that which is junk.
- (p) "New Price" means the current price of Condition "A" Material at the nearest reputable supply store where such Material is available or at the nearest receiving point to which such Material could be delivered, whichever is closer to the Joint Property. Tubular goods fifty and eight tenths millimetres (50.8 mm) or two inches (2 inches) in diameter and over shall be priced on a carload basis. Costs of special services to tubular goods, including transportation for that service, shall be included when determining the New Price. Any cash discount that may be allowed by a dealer shall not be deducted in determining the New Price.
- (q) "Non-Operator" means an Owner or a Party to the Agreement other than the Operator.

- (r) "Operations and Maintenance" means activities and Material required to directly operate, repair, and maintain wells and facilities on the Joint Property.
- (s) "Operator" means the Owner or Party designated pursuant to the Agreement to conduct Joint Operations.
- (t) "On-Site" means within the legal boundaries of the Joint Property or in the Production Office or in the general vicinity of the Joint Property when in direct conduct of Joint Operations.
- (u) "Owner" or "Party" means a person, partnership, corporation or other entity who is bound by the Agreement.
- (v) "Production Engineering" means facilities and operations engineering support for Operations and Maintenance. This includes the following activities:
 - (1) facilities engineering which includes evaluation, optimization, testing, and if required, modifications to wellsite facilities, pipelines, production satellites, oil treating facilities, gas treating facilities, production storage and custody transfer facilities, gas and natural gas liquid injection facilities, produced water handling and injection facilities, fresh water supply and handling facilities, gas compression facilities, controls and data acquisition, loss prevention, utilities, corrosion control and classification, environmental protection, quality control and assurance, operational problem resolution and process optimization and maintenance planning.
 - (2) operations engineering which includes preparation of expense recompletion programs, remedial workover and stimulation programs (acidizing, fracturing, slick line and wireline programs, coiled tubing, snubbing, nitrogen and carbon dioxide programs); preparation of well control and safety programs; design and optimization of artificial lift systems (dynamometer and fluid level analysis, well bore gradient and interpretation, water analysis, pressure, volume, temperature data, open and cased hole logs, absolute open flow data and the like required to evaluate well performance and workover candidate); and optimization of downhole completion assemblies excluding reservoir performance optimization but including tubing force analysis and packer design, wellhead design, sand control equipment and procedures, downhole equipment for quality assurance and quality control as well as metallurgical design for critical service, selection of workover candidate to rectify mechanical problems, design and implementation of field bottom hole pressure survey and interpretation of pressure data, and interpretation of data required for optimization of downhole completion assemblies.
- (w) "Production Office" means an office or a portion of an office, the primary function of which is to directly serve the daily Operations and Maintenance.

- (x) "Professional Consulting Services" means the services of a professional individual or firm employed to provide professional advice for the benefit of Joint Operations.
- (y) "Supervision" means the supervision of employees and/or contract labour directly employed On-Site in the conduct of Joint Operations.
- (z) "Technical Services" means the services providing specific engineering, geological or other professional skills such as, but not limited to those performed by engineers, geologists, geophysicists, technologists, environmentalists, safety specialists, and surface landmen required to handle specific operating conditions and problems for the benefit of Joint Operations which are not Production Engineering or Administrative Services.
- (aa) "Warehouse" means a building, pipe yard and/or storage point where idle equipment is stored.

102. Statement and Billings

The Operator shall bill each Non-Operator on or before the last day of each month for its proportionate share of the Joint Account for the preceding month. Such bills shall be accompanied by statements which identify the authority for expenditure, lease or facility, and all charges and credits, summarized in accordance with the Joint Interest Billing Exchange Chart of Accounts as most recently recommended by the Petroleum Accountants Society of Canada classifications, as a minimum.

In the event that production revenue settlement statements are submitted by the Operator, sufficient volumetric, pricing, and revenue information by product, production month and year shall be provided to enable each Non-Operator to correctly calculate and record its income and pay its obligations attached thereto.

103. Payments by Non-Operators

Unless otherwise provided in the Agreement, each Non-Operator shall pay all bills as rendered pursuant to Clause 102 of this Accounting Procedure within thirty (30) days of receipt thereof. When the due date falls on a weekend or a statutory holiday, the payment will be due on the preceding business day.

104. Capital Advances

Unless otherwise provided in the Agreement, the Operator may require each Non-Operator to advance its proportionate share of the estimated costs to be paid in the succeeding month for approved capital projects for Joint Operations. If the Operator so elects, it shall, not earlier than thirty (30) days prior to the first day of each month,

submit to each Non-Operator a reasonably detailed estimate of the costs proposed to be paid for the Joint Account in that month, with a request for payment by each Non-Operator of its proportionate share thereof. Each Non-Operator shall pay the Operator its proportionate share of the costs so estimated on or before the fifteenth (15th) day of the month for which the advance is requested or twenty (20) days after receipt of such estimate, whichever is later.

The Operator shall adjust each monthly billing to reflect advances received from the Non-Operator. Expenditures in excess of the advances shall be billed to and paid by each Non-Operator pursuant to Clause 103 of this Accounting Procedure. Amounts advanced by each Non-Operator in excess of actual costs shall be refunded by the Operator with the related billing for the month in which the advance was paid. Any such excess amounts not refunded will, at each Non-Operator's option, bear interest, payable by the Operator for the account of each Non-Operator, at the rate specified pursuant to Clause 106 of this Accounting Procedure from the day the billing is rendered pursuant to Clause 102 of this Accounting Procedure.

105. Operating Fund

Unless otherwise provided in the Agreement, the Operator may require each Non-Operator to advance for an operating fund its proportionate share of _____ percent (____%) of an approved forecast of expenditures for Operations and Maintenance for a year. The amount of this operating fund shall be increased or decreased annually in accordance with the current year's approved forecast of expenditures for Operations and Maintenance. This adjustment shall be done within ninety (90) days after the end of the previous year or when the current year's forecast is approved, whichever is later. Each Non-Operator shall remit such advance thirty (30) days after receipt of request for payment. After the establishment of the operating fund, each Non-Operator shall remit its share of actual costs in accordance with each month's billing, thus maintaining the operating fund intact.

106. Unpaid Accounts

Unless otherwise provided for in the Agreement, if payment of any bills or requests for advances is not made within the time stipulated in this Accounting Procedure, the unpaid amount may, at the Operator's option, bear interest payable by the Non-Operator and compounded monthly, for the account of the Operator at the rate of two percent (2%) per annum higher than the average prime rate charged by the principal Canadian Chartered bank used by the Operator, regardless of whether the Operator has notified such Non-Operator in advance of its intention to charge interest with respect to such unpaid amount, for the period in which such interest is payable.

.07. Adjustment and Right to Protest/Question Bills

- (a) A Non-Operator shall not withhold payment of any portion of a bill presented by the Operator due to protest or question related to such a bill unless there is a significant item under dispute and the Operator agrees to the Non-Operator withholding payment for the disputed item. Questions by the Non-Operator related to bills shall be responded to by the Operator within fourteen (14) days of receipt of the Non-Operator's query. In the event the Operator agrees that the questioned charges require adjustment, such adjustment shall be made by the Operator within thirty (30) days after such agreement to the adjustment. Notwithstanding the foregoing provisions, the Operator shall not unreasonably deny the Non-Operator's request to withhold payment for significant disputed charges which require adjustment and for which written notice has been received.
- (b) Subject to Subclause 107(c) hereof, payment of any bills or requests for advances shall not prejudice the right of the Non-Operator to protest or question the correctness thereof; provided however, all bills and statements rendered to the Non-Operator during any calendar year shall be presumed to be true and correct after the later of twenty-six (26) months following the end of such calendar year or any approved extensions pursuant to Subclause 108(b) of this Accounting Procedure, unless before the end of the said twenty-six (26) months the Non-Operator takes written exception thereto and makes claim on the Operator for an adjustment.
- (c) If within the period referred to in Subclause 107(b) hereof, the Non-Operator or the Operator establishes that an error in the books, accounts and records relating to Joint Operations existing in the said period also existed previous to the period, the Operator shall make the required adjustments retroactively either to the inception of the error or in a manner as approved by the Owners. The provisions of this Subclause are neither intended to extend the Non-Operator's audit rights to access books and records beyond the twenty-four (24) month audit limitation pursuant to Subclause 108(a) of this Accounting Procedure; nor is it intended that the Non-Operator request such an adjustment without being able to adequately support the request. The adjustments shall be subject to the Non-Operator's right to audit.
- (d) The provisions of this Clause shall not prevent adjustments resulting from physical inventory of Controllable Material pursuant to Article V of this Accounting Procedure.