

Clerk's Stamp

COURT FILE NUMBER 25-095053

ESTATE NOS. 25-095053  
25-2592139

COURT COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY  
AND INSOLVENCY

JUDICIAL CENTRE CALGARY

MATTER **IN THE MATTER OF THE BANKRUPTCIES of SIKSIKA  
ENERGY RESOURCES CORPORATION and SIKSIKA  
ENERGY LIMITED PARTNERSHIP**  
**and IN THE MATTER OF THE *BANKRUPTCY and INSOLVENCY*  
ACT R.S.C. 1985, c. B-3 (as amended)**

APPLICANT MNP Ltd. in its capacity as the Trustee of Siksika Energy Resources  
Corporation and Siksika Energy Limited Partnership

DOCUMENT **APPLICATION (Advice and Direction and Approval of Trustee's  
Activities)**

ADDRESS FOR SERVICE AND CONTACT Caron & Partners LLP  
INFORMATION OF 2120, 237 – 4<sup>th</sup> Avenue SW  
PARTY FILING THIS Calgary, AB T2P 4K3  
DOCUMENT Tel: (403) 262-3000  
Fax: (403) 237-0111  
**Attention: R.J. Daniel Gilborn / Lucinda A. Wong**  
Solicitors for MNP Ltd.  
Email: [dgilborn@caronpartners.com](mailto:dgilborn@caronpartners.com) / [lwong@caronpartners.com](mailto:lwong@caronpartners.com)  
File No. 59034-000

**NOTICE TO THE RESPONDENT(S): See Attached Service List**

This Application is made against you. You are the Respondent(s).

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

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

Date: Tuesday, May 3, 2022  
Time: 2:00 PM  
Where: Virtual Courtroom 60 – Calgary Courts Centre (WebEx)  
<https://albertacourts.webex.com/meet/virtual.courtroom60>  
Before Whom: The Honourable Madam Justice K. M. Horner (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. The Applicant, MNP Ltd. in its capacity as Trustee in Bankruptcy of the consolidated estates of Siksika Energy Resources Corporation and Siksika Energy Limited Partnership (“**MNP**”), seeks an Order in substantially the form of the proposed Order attached as **Schedule “A”** to this Application, granting (without limitation) the following relief and directions:
  - (a) If necessary, abridging the time for notice and service of this Application (and the materials in support thereof) and validating and deeming such service good and sufficient;
  - (b) authorizing and directing the Trustee to make a distribution, net of withholdings, to the Alberta Energy Regulator (“**AER**”) from the remaining funds realized in the course of the administration of the bankrupt estates as proposed in the Second Report of the Trustee, filed on April 25, 2022 (the “**Second Report**”);
  - (c) approval of the reported actions of the Trustee (as set out in the Trustee’s First Report dated July 15, 2020 (the “**First Report**”) and the Second Report) in administering these bankruptcy proceedings provided that only the Trustee, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval; and
  - (d) such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.

**Grounds for making this Application:**

2. On December 4, 2019, Siksika Energy Resources Corporation (“**SERC**”) and Siksika Energy Limited Partnership (“**SELP**”) made voluntary assignments in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (as amended) (the “**BIA**”) and MNP Ltd. (the “**Trustee**”) was appointed as trustee of the bankrupt estates of SERC and SELP (collectively, the “**Bankrupt Estates**”). SELP is a limited partnership. SERC is the general partner of SELP.
3. On July 15, 2020, by way of Order of Registrar Prowse, the Bankrupt Estates were administratively consolidated into a single Court/Estate No. 25-095053.
4. At the time of bankruptcy, the assets of SERC and SELP primarily consisted of working interest oil and gas assets and accounts receivable. In addition, SERC was listed as the operator of one well in southern Alberta (the “**Well**”) which was abandoned in March 2017.

5. To date, the Trustee has quitclaimed, abandoned or disclaimed substantially all of SELP and SERC's working interests in various oil and gas properties in Alberta as described in the Trustee's Second Report.
6. As a result of quitclaiming or abandoning SELP and SERC's working interests in various oil and gas properties, end of life obligations associated with the abandonment and reclamation of unsold oil and gas properties must be satisfied by the Trustee from the Bankrupt Estates in priority to the claims of any other unsecured creditors. Recent case law from the Alberta Court of Appeal confirms this conclusion.
7. Reclamation and abandonment obligations are inherent in oil and gas properties from the commencement of the resource extraction. The Trustee owes a duty to use the assets of the Bankrupt Estates to discharge SERC and SELP's abandonment and reclamation obligations.
8. The terms as set out in the proposed form of Order attached hereto as **Schedule "A"** are necessary to satisfy the Trustee's obligations to the AER.
9. A ruling from the Court on the payment of end of life obligations of SELP and SERC is required to complete the administration of the consolidated estates.
10. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**Material or evidence to be relied on:**

11. All pleadings and proceedings filed in the within Action.
12. The Trustee's First Report dated July 15, 2020 and Trustee's Second Report, dated April 25, 2022.
13. The proposed form of Order attached as **Schedule "A"** to this Application.
14. The inherent jurisdiction of this Honourable Court to control its own process.
15. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

**Applicable Rules:**

16. Rules 1.3, 6.3(1), 6.11, 11.27, 11.29, 13.5 and Part 6, Division 4, of the Alberta *Rules of Court*, AR 124/2010 (as amended), and other Rules as counsel may advise and that this Honourable Court may permit.

**Applicable Acts and Regulations:**

17. The *Bankruptcy and Insolvency Act*, RSC 1985 c B-3, as amended, and in particular, section 34(1) thereof.

18. Such other Rules, Acts and Regulations as counsel may advise and that this Honourable Court may permit.

**Any Irregularity Complained of or Objection Relied On:**

19. None.

**How the Application is Proposed to be Heard or Considered:**

20. Via Webex Video Conference, before the Honourable Madam Justice K. M. Horner (Commercial List) at the Calgary Courts Centre, 601 5<sup>th</sup> Street SW, Calgary, on Tuesday, May 3, 2022 at 2:00PM, with some or all of the parties present.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant 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"**

**ORDER (Advice and Direction and Approval of the Trustee's Activities)**

COURT FILE NUMBER 25-095053

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25-2592139

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MATTER **IN THE MATTER OF THE BANKRUPTCIES of SIKSIKA  
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Resources Corporation and Siksika Energy Limited Partnership

DOCUMENT **ORDER (Advice and Direction, Approval of the Trustee's  
Activities)**

ADDRESS FOR SERVICE Caron & Partners LLP  
AND CONTACT 2120, 237 – 4<sup>th</sup> Avenue SW  
INFORMATION OF Calgary, AB T2P 4K3  
PARTY FILING THIS Tel: (403) 262-3000  
DOCUMENT Fax: (403) 237-0111  
**Attention: R.J. Daniel Gilborn / Lucinda A. Wong**  
Solicitors for MNP Ltd.  
Email: [dgilborn@caronpartners.com](mailto:dgilborn@caronpartners.com) / [lwong@caronpartners.com](mailto:lwong@caronpartners.com)  
File No. 59034-000

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**DATE ON WHICH ORDER WAS PRONOUNCED:** May 3, 2022

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**NAME OF JUSTICE WHO MADE THIS ORDER:** Justice K. M. HORNER

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**UPON THE APPLICATION** by **MNP Ltd.** in its capacity as the Trustee in Bankruptcy (the “**Trustee**”) of the consolidated bankrupt estates of Siksika Energy Resources Corporation and Siksika Energy Limited Partnership (the “**Bankrupt Estates**”) for Advice and Direction with respect to the disposition of proceeds of the Bankrupt Estates (less withholdings), and for approval of the Trustee’s activities; **AND UPON HAVING READ** the First Report of the Trustee dated July 15, 2020 (the “**First**

**Report**”) and the Second Report of the Trustee dated April 25, 2022 (the “**Second Report**”), the Bench Brief filed April 25, 2022, such additional pleadings and proceedings taken in this action, and the Affidavit of Service, to be filed (the “**Affidavit of Service**”); **AND UPON HEARING** the submissions of counsel for the Trustee and from any other interested parties who may be present, with no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

1. Service of notice of this application and supporting materials is hereby validated and declared to be good and sufficient. No other person is required to have been served with notice of this application and time for service of this application is, if necessary, abridged to that actually given.
2. The Trustee is authorized and directed to make a distribution of funds to the Alberta Energy Regulator (“**AER**”) as more particularly outlined in the Second Report, subject to the withholdings for the professional fees of the Trustee and its legal counsel, also as set out in the Second Report (the “**Withholding**”).
3. To the extent the Withholding is not entirely used for the final accounts of the Trustee and its legal counsel, the remainder, if any, can be disbursed to the AER.
4. The Trustee is hereby authorized to pay from the Withholding (subject to taxation) any remaining professional fees up to the discharge of the Trustee as set out in the Second Report.
5. The activities of the Trustee in administering these bankruptcy proceedings, as set out in the First Report and the Second Report, are hereby approved, provided that only the Trustee, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.
6. This Order shall be served upon the same parties and entities as the Application and materials in support thereof was served and service may be effected by facsimile, electronic mail, personal delivery or courier.

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The Honourable Madam Justice K. M. Horner  
Justice of the Court of Queen’s Bench of Alberta  
Commercial List