

COURT FILE NUMBER 25-2719774

COURT COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL UNDER THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, OF GS E&R CANADA INC.

APPLICANT GS E&R CANADA INC.

DOCUMENT **APPLICATION FOR STAY EXTENSION AND RELATED RELIEF**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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File No.: 148767.1001

Counsel for the Applicant, GS E&R Canada Inc.

Clerk's Stamp:

This application will be heard as shown below:

DATE: **May 21, 2021**

TIME: 10:00 AM

WHERE: Edmonton Courthouse, via WEBEX

BEFORE WHOM: The Honourable Justice Dunlop

I. INTRODUCTION AND REMEDY SOUGHT

1. On March 11, 2021, the Applicant, GS E&R Canada Inc. ("**E&R CANADA**"), filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and MNP Ltd. was appointed as the proposal trustee under the NOI (the "**Proposal Trustee**").

2. As a result of the filing of the NOI, all proceedings against E&R CANADA and its assets were automatically stayed for an initial period of thirty (30) days (until April 10, 2021).
3. On March 24, 2021, the Honourable Justice Mah granted an order, *inter alia*: (i) extending the Stay Period for a further 45 days, to May 25, 2021 (the “**Stay Period**”) (ii) granting an Administration Charge in an amount of \$300,000 in favour of certain professionals to secure the payment of their respective fees and disbursements incurred in connection with these proceedings, (iii) granting a D&O Charge in an amount up to \$100,000 securing payment of the amounts for which E&R CANADA may be called upon to indemnify its directors and officers, acting in such capacity during the post-NOI period when and if D&O insurance coverage is denied or insufficient; and (iv) and approving a SISP as described in the Proposal Trustee’s First Report.
4. E&R CANADA hereby seeks from this Honourable Court the issuance of an order, substantially in the form attached as Schedule “A” to the within Application, providing for, *inter alia*:
 - (a) abridging the time for delivery and to deem service of this Application to be good and sufficient;
 - (b) extending the Stay Period for an additional period of forty-five (45) days (i.e. until **July 9, 2021**); and
 - (c) declaring that:
 - (i) E&R CANADA is authorized to make pre-filing payments to NorthRiver Midstream Operations LP (“**NorthRiver**”) in the aggregate amount of \$153,605.08.

II. RESTRUCTURING EFFORTS SINCE THE FILING OF THE NOI

A. SISP

5. Since March 24, 2021, the Proposal Trustee, with the assistance of Sayer Energy Advisers (“**Sayer**”), has commenced the SISP as outlined in the Proposal Trustee’s First Report, whereby prospective purchasers (individually, an “**Interested Party**” and collectively, “**Interested Parties**”) have the opportunity to submit an offer to purchase all or part of

E&R CANADA's assets, undertakings and property (collectively, the "**Property**") or the shares of E&R CANADA (the "**Shares**").

6. The deadline for Interested Parties to submit a letter of intent ("**LOI**") to the Proposal Trustee, specifying, among other things, whether the Interested Party intends to make an offer to purchase all or part of the Property or alternatively, the Shares, along with evidence of the Interested Party's financial wherewithal to consummate a transaction, was due on May 13, 2021 (the "**LOI Deadline**").
7. Several offers and expressions of interest were received by the LOI Deadline.
8. LOI Parties who have been contacted by the Proposal Trustee will have until 12:00 PM Mountain Daylight Savings Time to submit an offer to the Proposal Trustee to purchase the Property or Shares of E&R CANADA on May 27, 2021 (the "**Offer Deadline**").

III. GROUNDS FOR THE REQUESTED ORDERS

A. Stay Extension

9. E&R CANADA seeks an extension of the Stay Period to July 9, 2021 to provide sufficient time for E&R CANADA, in consultation with the Proposal Trustee to complete the SISP, finalize and seek approval of an APA, and to close the APA on or before July 9, 2021.

B. Payment of Pre-Filing Claims of NorthRiver

10. E&R CANADA seeks a declaration that it is permitted to pay pre-filing claims of NorthRiver in the aggregate amount of \$153,605.08.
11. NorthRiver is a supplier of pipeline services and is vital to transporting E&R CANADA's natural gas products to a marketable location. The services provided by NorthRiver are crucial to E&R CANADA's continued operations, and to maintaining the value of E&R CANADA's Property and business for the purposes of the SISP. NorthRiver has indicated that it will terminate such services if its pre-filing claims are not paid.

IV. REMEDY SOUGHT:

12. The Applicants seek from this Honourable Court an order, substantially in the form attached hereto as Schedule "A":

- (a) extending the stay of proceedings to July 9, 2021;
- (b) abridging the time for delivery of this Application and deeming service of this Application to be good and sufficient;
- (c) authorizing E&R CANADA to pay to NorthRiver certain pre-filing obligations in the aggregate amount of \$153,605.08; and
- (d) providing such other relief as may seem just and reasonable to this Honourable Court.

Affidavit or other evidence to be used in support of this application:

- 13. The Second Affidavit of Jungho Park, sworn on May 14, 2021.
- 14. The Second Report of the Proposal Trustee.
- 15. Such further information as counsel may advise and as this Honourable Court may permit.

Applicable Acts and Regulations:

- 16. Rules 1.2, 1.3, 3.2(2)(d), 3.8, 11.27 and 13.5 of the Alberta *Rules of Court*, Alta Reg 124/2010.
- 17. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

Any Irregularity Complained of or Objection Relied on:

- 18. None

How the Application is proposed to be heard or considered:

- 19. By Webex.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this 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 and against all persons claiming under the Applicant. You will be bound by any order that the Court makes, or another

order might be given or other proceedings taken which the Applicant 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 the 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 NUMBER B201 – 719774
25-2719774
COURT COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY
JUDICIAL CENTRE CALGARY

Clerk's Stamp:

MATTER IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL UNDER THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED, OF GS E&R CANADA INC.

APPLICANT GS E&R CANADA INC.

DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **STIKEMAN ELLIOTT LLP**
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Fax Number: (403) 266-9034
File No.: 148767.1001

Counsel for the Applicant, GS E&R Canada Inc.

DATE ON WHICH ORDER WAS PRONOUNCED: May 21, 2021
NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice Dunlop
LOCATION OF HEARING: Edmonton Courthouse, via Webex

UPON the Application of GS E&R Canada Inc. (the “**Applicant**” or “**E&R CANADA**”) to extend the Stay Period under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), as extended by the Order of the Honourable Justice Mah pronounced March 24, 2021 (the “**Stay Extension Order**”) and for related relief (the “**Application**”);

AND UPON READING the Applicant’s Application; the Stay Extension Order, which provided a stay of proceedings to the Applicant for an additional 45 days (the “**Stay Period**”); the Second

Affidavit of Jungho Park, sworn May 14, 2021; the Affidavit of Service of Laureen Larmour dated May __, 2021; and the Second Report of the Proposal Trustee dated May __, 2021 (the **“Proposal Trustee’s Second Report”**);

AND UPON hearing counsel for the Applicant and counsel for the Proposal Trustee;

IT IS HEREBY ORDERED THAT:

1. The time for delivery of the Application and supporting materials is hereby abridged and service is deemed to be good and sufficient.
2. The Stay Period is hereby extended for an additional period of forty-five (45) days (i.e. until **July 9, 2021**).
3. E&R CANADA is hereby authorized to make pre-filing payments to NorthRiver Midstream Operations LP in the aggregate amount of \$153,605.08.
4. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Justice of the Court of Queen’s
Bench of Alberta