



COURT FILE NUMBER ~~2401~~ 2401 13217  
 COURT COURT OF QUEEN'S BENCH OF ALBERTA  
 JUDICIAL CENTRE CALGARY  
 APPLICANTS **GREENFIRE RESOURCES OPERATING CORPORATION**  
 RESPONDENT **VICEROY CANADIAN RESOURCES CORP.**  
 DOCUMENT **ORIGINATING APPLICATION**

\$250  
 COM  
 Oct 22 2024

**(Appointment of Receiver)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **OSLER, HOSKIN & HARCOURT LLP**  
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 File Number: 1241968

**NOTICE TO THE RESPONDENT**

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

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: October 22, 2024  
 Time: 2:00 p.m.  
 Where: Calgary Courts Centre (by WebEx) Virtual Courtroom 60 (See Schedule "A" for Virtual Courtroom Link)  
 Before: The Honourable Madam Justice B. Johnston

Go to the end of this document to see what you can do and when you must do it.

**Remedy claimed or sought:**

1. Greenfire Resources Operating Corporation (“**Greenfire**”), in its capacity as secured creditor of Viceroy Canadian Resources Corp. (“**Viceroy**”), seeks the following:
  - a. An order substantially in the form attached hereto as Schedule “B” (the “**Receivership Order**”) pursuant to sections 64 and 65 of the *Personal Property Security Act*, RSA 2000, c P-7 (the “**PPSA**”) and section 13 of the *Judicature Act*, RSA 2000, c J-2:
    - i. declaring that the within Application is properly returnable and that service of this Application is deemed good and sufficient;
    - ii. appointing Alvarez & Marsal Canada Inc. to act as the receiver over and sales agent in respect of the marketing and sale of Viceroy’s working interest in the Plant (as defined below) on the terms set out herein;
    - iii. declaring that the Receiver is expressly empowered to act in respect of the marketing and sale of Viceroy’s working interest the Plant, and in particular is authorized but not required to negotiate a sales solicitation process with Greenfire in which Greenfire would be a stalking horse bidder for Viceroy’s working interest the Plant; and
  - b. such further and other relief as counsel may request and this Honourable Court may deem appropriate.

**Grounds for making this application**

***Background***

2. Greenfire is an oil sands producer operating in Western Canada.
3. Viceroy is an oil and gas production company operating in Western Canada.
4. Viceroy and Greenfire are parties or successors in interest to the Amended and Restated Farm-in and Participation Agreement effective as of January 31, 2019 and amended and restated as of June 19, 2020 (the “**Farm-In Agreement**”). The Farm-In Agreement

governs, amongst other things, Viceroy and Greenfire's respective interests in a steam assisted gravity drainage plant and facility located approximately 45 km north of Fort McMurray (the "**McKay SAGD Project**"), which includes a SAGD plant and any associated equipment (the "**Plant**"). The Plant is operated under the following licenses and on the following lands:

<b>Licence No.</b>	<b>Surface Location</b>
42660	00/10-07-091-14W4
42685	00/15-07-091-14W4
42686	00/14-07-091-14W4

5. Everest Canadian Resources Corp. ("**Everest**") had previously been the owner of a 95% working interest in and the operator of the McKay SAGD Project, having obtained its interest in the McKay SAGD Project from Viceroy pursuant to the Farm-In Agreement. Pursuant to the Farm-In Agreement Viceroy retained a 5% working interest in the McKay River Project. Everest and Viceroy are related companies.
6. By Order of the Honourable Justice B. B. Johnston of the Court of King's Bench of Alberta dated April 5, 2023, PricewaterhouseCoopers Inc., LIT was appointed receiver and manager (the "**Receiver**") of the undertakings, property and assets of Everest.
7. Pursuant to an Order of the Court dated March 27, 2024, the Court approved a Purchase and Sale Agreement between Greenfire (as purchaser) and the Receiver (as vendor), pursuant to which Greenfire acquired Everest's 95% working interest in the McKay SAGD Project from the Receiver, and became a successor in interest to Everest's rights under the Farm-In Agreement, including by becoming Operator.
8. The Farm-In Agreement provides, among other things:
  - a. The Viceroy has a 5% interest, and Greenfire has a 95% interest, in the McKay SAGD Project (including the Plant);
  - b. That Greenfire is the Operator of the McKay SAGD Project (including the Plant);

- c. That Viceroy is obligated to pay for its share of joint operating expenses incurred by Greenfire (or Everest as its predecessor in interest) in relation to the McKay SAGD Project.
9. The Farm-In Agreement incorporates the 2007 CAPL Operating Procedure (the “**CAPL Operating Procedures**”). The CAPL Operating Procedures provide for an Operator’s lien (the “**Operator’s Lien**”):

*Operator's Lien*-As of the effective date of the Agreement or such later date as this Schedule applies to the affected Joint Lands, the Operator will have a lien and charge with respect to the interest of each Party in the Joint Lands, the wells and equipment thereon, the Petroleum Substances produced therefrom and any other Joint Property, to secure payment of that Party's share of the costs and expenses incurred for the Joint Account. Subject to the Regulations, that lien and charge has priority over any other lien, charge, mortgage or other security interest applicable to those interests, provided that this will not preclude a Party from entering into any bona fide financing that requires a pledge or the granting of other security.
10. Pursuant to the Farm-In Agreement, Greenfire has an Operator’s Lien over, among other things, the MacKay SAGD Project.
11. Greenfire’s Operator’s Lien extends to the Plant. The Plant is a chattel, in that: (a) it is equipment which was designed as modules to be easily moved and transferable wherever the production field is, (b) the Plant was intended to be mobile rather than a permanent structure, (c) the entire Plant is above ground, and sits on skids which in turn rest on piles, (d) while the skids have some degree of bolting to the piles, this is only to ensure the Plant can operate efficiently, (e) the Plant is designed to be, and can be, easily removed from the piles in order to be relocated elsewhere. Accordingly, the Plant is personal property.
12. Greenfire registered its Operator’s Lien over the McKay SAGD Project (including the Plant) in the PPR on May 23, 2024.
13. Viceroy owes substantial joint operating expenses to Greenfire under the Farm-In Agreement (the “**Outstanding Amounts**”). Despite Greenfire’s repeated demands, Viceroy has failed or refused and continues to fail or refuse to pay the Outstanding Amounts as well as other joint operating costs that continue to accrue.
14. The Outstanding Amounts currently total at least \$794,075.06. The Outstanding Amounts will continue to increase as joint operating expenses continue to accrue.

***Greenfire's Efforts to Enforce its Operator's Lien***

15. Prior to Greenfire's acquisition of Everest's working interest in the McKay SAGD Project and the Farm-In Agreement, on January 24, 2024 the Receiver delivered a notice to Viceroy stating that, as of April 5, 2023 (the date the Receiver was appointed), Viceroy was indebted to Everest in respect of the joint operations of the McKay SAGD Project in the amount of at least \$106,269.87 plus other amounts properly payable by Viceroy to Everest pursuant to the Farm-In Agreement and the CAPL Operating Procedures, together with all interest, legal costs and other chargeable amounts.
16. After acquiring its working interest in the McKay SAGD Project and the Farm-In Agreement, on April 25, 2024, Greenfire delivered a notice to Viceroy advising that the Outstanding Amounts had increased to \$794,075.06. Greenfire also notified Viceroy that it was providing notice of default pursuant to the CAPL Operating Procedures, and that in lieu of payment Greenfire intended to take steps to enforce its Operator's Lien.
17. On June 4, 2024, after receiving no response from Viceroy, Greenfire delivered another demand to Viceroy demanding payment of the then Outstanding Amounts by June 17, 2024, failing which Greenfire would take further steps to enforce its Operator's Lien. Greenfire also enclosed a Notice of Intention to Enforce Security provided in accordance with the provisions of s.244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("BIA"), notifying Viceroy that Greenfire intended to enforce its security on substantially all of the property of Viceroy 10 days after sending the notice, unless Viceroy consented to earlier enforcement. Viceroy did not provide its consent or otherwise respond to this letter.
18. On June 18, 2024, Greenfire delivered notice to Viceroy under section 62 of the *PPSA* advising that: (a) Greenfire proposed to take the collateral secured by the Operator's Lien (namely, Viceroy's interest in the Plant) in satisfaction of the Outstanding Amounts, and (b) unless Viceroy gave Greenfire a written notice of objection pursuant to section 62(2) of the *PPSA* within 15 days Greenfire would be deemed to have irrevocably elected to take Viceroy's interest in the Plant in satisfaction of the Outstanding Amounts, and would be entitled to hold or dispose of that interest free from all rights and interest of Viceroy in the Plant.

19. On June 21, 2024, Qiping Men, a director of Viceroy, objected in writing to Greenfire's proposal to take Viceroy's interest in the Plant in satisfaction of the Outstanding Amounts pursuant to section 62(2) of the *PPSA*.
20. As a result of Viceroy's objection pursuant to section 62(2) of the *PPSA*, Greenfire is required to dispose of the secured collateral pursuant to section 60 of the *PPSA*.
21. As the owner of the other 95% interest in the McKay SAGD Project, Greenfire proposes to be a bidder and prospective purchaser of Viceroy's interest in the Plant. It would therefore be inappropriate for Greenfire to run a sale process to dispose of the collateral under section 60 of the *PPSA*. Rather, it would be just, convenient, and appropriate for the Court to appoint a limited Receiver over Viceroy's interest in the Plant in order to run a sales process in a fair and transparent manner, under the supervision of the Court, and to ensure that such sales process does not have any appearance of conflict.
22. Alvarez & Marsal Canada Inc. has experience in skill in acting in such a capacity, and has consented to act as Receiver for the purpose of the marketing and sale of Viceroy's interest in the Plant.
23. In order to assert its rights under the Farm-In Agreement, its Operator's Lien, and the *PPSA*, Greenfire seeks the Court's approval of the appointment of Alvarez & Marsal Canada Inc. as receiver for the marketing and sale of Viceroy's interest in the Plant.

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

24. Affidavit of Robert Logan, sworn September 6, 2024.
25. Such further and other materials as counsel may advise and this Honourable Court may permit.

**Applicable rules:**

26. *Alberta Rules of Court*, Alta Reg 124/2010.

**Applicable Acts and Regulations**

27. *Judicature Act*, RSA 2000, c J-2.

28. *Personal Property Security Act*, RSA 2000, c P-7.

29. 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:**

30. None.

**How application is proposed to be heard or considered:**

31. By Webex video conference before the presiding Justice.

**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” – Virtual Courtroom Link**

**Virtual Courtroom 60** has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

For more information relating to Webex protocols and procedures, please visit:

<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the “Cisco Webex Meetings” App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.



**Schedule “B” – Receivership Order**

Clerk’s Stamp

COURT FILE NUMBER      2401-  
COURT                      COURT OF QUEEN’S BENCH OF ALBERTA  
JUDICIAL CENTRE        CALGARY  
APPLICANTS              **GREENFIRE RESOURCES OPERATING  
CORPORATION**  
RESPONDENT              **VICEROY CANADIAN RESOURCES CORP.**  
DOCUMENT              **ORDER**

**(Appointment of Receiver)**

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File Number: 1241968

**DATE ON WHICH ORDER WAS PRONOUNCED:** \_\_\_\_\_

**NAME OF JUDGE WHO MADE THIS ORDER:** \_\_\_\_\_

**LOCATION OF HEARING:**                      Calgary, Alberta (via Webex)

**UPON** the application of Greenfire Resources Operating Corporation (“**Greenfire**”) for an order appointing Alvarez & Marsal Canada Inc. as the receiver and sales agent (the “**Receiver**”) in respect of the marketing and sale of Viceroy Canadian Resources Corp.’s (“**Viceroy**” or the “**Debtor**”) working interest in the Plant (as defined in Schedule “B” hereto); **AND UPON** having read the Application and the Affidavit of Robert Logan, filed; **AND UPON** hearing from counsel

for Greenfire, Viceroy, and the Receiver; **AND UPON** noting the consent of the Receiver to act as the Receiver for the purposes contemplated herein; **IT IS HEREBY ORDERED AND DECLARED THAT:**

### **DEFINED TERMS**

1. Any capitalized terms not otherwise defined in this Order (the “**Order**”) shall have the meaning given to them in the Application.

### **SERVICE**

2. The time for service of the notice of application for this Order is hereby abridged and deemed good and sufficient and this application is properly returnable today.

### **APPOINTMENT OF THE RECEIVER**

3. Pursuant to section 13(2) of the *Judicature Act*, RSA 2000, c.J-2 and 65(7) of the *Personal Property Security Act*, RSA 2000, c.P-7, Alvarez & Marsal Canada Inc. is hereby appointed Receiver, without security, of the Debtor’s right, title and interest in and to the Amended and Restated Farm-In Participation Agreement, effective as of January 31, 2019 and amended and restated as of June 19, 2020, including without limitation the Debtor’s 5% working interest in the McKay SAGD Project and the Plant, and any proceeds thereof (the “**Property**”).

### **RECEIVER’S POWERS**

4. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - a. to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, which shall include the Receiver’s right to market, sell, or otherwise release any of the Debtor’s interest in the Property;
  - b. to receive, preserve and protect the Property, or any part or parts thereof;

- c. to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel, and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation, those specifically conferred on the Receiver by this Order;
- d. to execute, assign, issue and endorse documents of whatever nature in respect of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- e. to market the Property on behalf of Viceroy in accordance with a sales process to be approved by the Court, including the advertising of and the solicitation of offers in respect of the Property and the negotiation of such terms and conditions of sale as the Receiver, in its discretion, deems appropriate, including entering into a stalking horse sales process with respect to the Property with Greenfire or such other party as the Receiver, in its discretion, may consider appropriate;
- f. to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court, and notice under subsection 60(8) of the Personal Property Security Act, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.
- g. to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- h. to report to, meet with and discuss, with such affected Persons (as defined below), as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- i. to apply for any permits, licences or approvals as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of Viceroy;

- j. to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have with respect to the Property;
- k. to take steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- l. to apply to the Court to seek advice and direction with respect to any of the Receiver's powers or duties as set out in this Order;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, and without interference from any other Person (as defined below).

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATIONS TO THE RECEIVER**

- 5. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any of the Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
- 6. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind in respect of or related to the Property, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control in respect of or related to the Property, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records,

which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

7. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall, upon request by the Receiver, forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE PROPERTY**

9. No Proceeding in respect of or affecting the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way in respect of or affecting the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect

a Regulatory Body's investigation in respect of the Property or an action, suit or proceeding that is taken in respect of the Property by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. **"Regulatory Body"** means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

## **NO EXERCISE OF RIGHTS AND REMEDIES**

10. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, including, without limitation, any rights or remedies or provisions in any agreement, construction, ownership and operating agreement, joint venture agreement or any such similar agreement or agreements to which the Debtor is a party that purport to effect or cause a cessation of operatorship as a result of the occurrence of any default or non-performance by or the insolvency of the Debtor, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Debtor be replaced as operator pursuant to any such agreements without further order of this Court, provided, however, that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this Order shall:

- a. empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;
- b. prevent the filing of any registration to preserve or perfect a security interest;
- c. prevent the registration of a claim for lien; or
- d. exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.

11. Nothing in this Order shall prevent any party from taking an action affecting the Property where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such

party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

#### **NO INTERFERENCE WITH THE RECEIVER**

12. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor that relates to the Property, except with the written consent of the Receiver, or leave of this Court.

#### **RECEIVER TO HOLD FUNDS**

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

#### **LIMITATIONS ON ENVIRONMENTAL LIABILITIES**

14. a. Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- i. before the Receiver's appointment; or
  - ii. after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- b. Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

- c. Notwithstanding anything in any federal or provincial law, but subject to subparagraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
  - i. if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
    - 1. complies with the order, or
    - 2. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
  - ii. during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by:
    - 1. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
    - 2. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
  - iii. if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.



## **LIMITATION ON THE RECEIVER'S LIABILITY**

15. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law.

## **RECEIVER'S ACCOUNTS**

16. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4), 81.6(2) and 88 of the BIA.
17. The Receiver and its legal counsel shall pass their accounts from time to time.
18. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

## **FUNDING OF THE RECEIVERSHIP**

19. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate

or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver's Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4), 81.6(2) and 88 of the BIA.

20. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
21. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “A” hereto (the “**Receiver's Certificates**”) for any amount borrowed by it pursuant to this Order.
22. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
23. The Receiver shall be authorized to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

## **ALLOCATION**

24. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the Property.

## **GENERAL**

25. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
27. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its 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 the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
29. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
30. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

31. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

## **FILING**

32. The Receiver shall establish and maintain a website in respect of these proceedings at [www.alvarezandmarsal.com/viceroy](http://www.alvarezandmarsal.com/viceroy) (the “**Receiver’s Website**”) and shall post there as soon as practicable:

- a. all materials prescribed by statute or regulation to be made publicly available; and
- b. all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

33. Service of this Order shall be deemed good and sufficient by:

- a. serving the same on:
  - i. the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
  - ii. any other person served with notice of the application for this Order;
  - iii. any other parties attending or represented at the application for this Order;and
- b. posting a copy of this Order on the Receiver’s Website

and service on any other person is hereby dispensed with.

34. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of King's Bench of Alberta

### Schedule “A” to Receivership Order – Receiver’s Certificate

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Alvarez & Marsal Canada Inc., the interim receiver and receiver and manager (the “**Receiver**”) of all of Viceroy Canadian Resources Corp.’s working interest in the Plant (as defined in the Order), appointed by Order of the Court of King’s Bench of Alberta (the “**Court**”) dated the \_\_\_\_ day of \_\_\_\_\_, 2024 (the “**Order**”) made in action number \_\_\_\_\_, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \_\_\_\_\_, being part of the total principal sum of \_\_\_\_\_ that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded \_\_\_\_\_[daily/monthly not in advance of the \_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_[enter rate] per cent above the prime commercial lending rate of \_\_\_\_\_ [name of institution] from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at \_\_\_\_\_[enter address].
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the

Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

Alvarez & Marsal Canada Inc., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

**Schedule “B” to Receivership Order – Definition of “Plant”**

1. The Plant as defined in this Application includes:

- a. The SAGD plant located at the McKay Facility approximately 45 km north of Fort McMurray, and any associated equipment, which is operated under the following licenses and on the following lands:

<b>Licence No.</b>	<b>Surface Location</b>
42660	00/10-07-091-14W4
42685	00/15-07-091-14W4
42686	00/14-07-091-14W4

pursuant to the Amended and Restated Farm-in and Participation Agreement among Viceroy Canadian Resources Corp. and Everest Canadian Resources Corp. effective as of January 31, 2019 and amended and restated as of June 19, 2020 (incorporating the 2007 Operating Procedure) (the "**Agreement**").

2. Viceroy's interest in the Plant includes:

- a. All of Viceroy's personal property interests in wells (including but not limited to abandoned, shut in, suspended, capped, producing, water injection, water source, waste disposal, oil or gas wells and any other wells) in relation to the Plant, including the well bores, wellhead, and all materials and equipment in the wellbore;
- b. All of the Viceroy's present and after acquired interests in equipment at the Plant or located elsewhere but serving or intended to serve the Plant (including without limitation any surface and subsurface machinery, apparatus, and other property and assets of whatsoever nature and kind for the production, treatment, storage or transportation of hydrocarbons, casing, tubing, rods, pumps and pumping equipment, separators, flow lines, tanks, treaters, heaters, compressors, plants and systems to treat, dispose of or inject water or other substances, power plants, poles, lines, transformers, starters, controllers, machine shops, tools, spare parts and spare equipment, telegraph, telephone, radio and other communication equipment, racks, storage facilities, well pad equipment, camp and warehouse);



- c. All of Viceroy's right, title and interest in petroleum substances produced or recoverable from the Plant including without limitation, petroleum, oil, natural gas, natural gas liquids, methane, ethane, butane, propane, pentanes plus, condensate, and all other substances whether liquid or solid and whether hydrocarbons or not produced in association therewith including any substances without pipelines and flowlines);
- d. All of Viceroy's personal property interests in any other joint property at the Plant as per the Agreement; and
- e. Proceeds: goods, investment property, documents of title, chattel paper, instruments, money and intangibles.