

COURT FILE NUMBER 1801-06866
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



APPLICANT ATB FINANCIAL
RESPONDENTS MUSTANG WELL SERVICES LTD., KKSr ENTERPRISES LTD., COMPLETE OILFIELD MANUFACTURING INC., REACTION OILFIELD SUPPLY (2012) LTD., and MRBD LTD.

DOCUMENT ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5
Telephone 403-351-2921
Facsimile 403-648-1151
File No. 45306-7
Attention: Jeffrey Oliver

I hereby certify this to be a true copy of the original ORDER
Dated this 2 day of JAN 2019
[Signature]
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: Thursday, November 1, 2018

LOCATION OF HEARING: Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Mr. Justice R.A. Neufeld

UPON THE APPLICATION of FTI Consulting Canada Inc. in its capacity as receiver and manager (in such capacity, the "Receiver") of the assets, undertakings and properties of Mustang Well Services Ltd. ("Mustang"), KKSr Enterprises Ltd. ("KKSr"), Complete Oilfield Manufacturing Inc., Reaction Oilfield Supply (2012) Ltd., and MRBD Ltd. (collectively, the "Debtors") for advice and directions pursuant to paragraph 25 of the Order of the Honourable Mr. Justice A.D. Macleod dated May 17, 2018 (the "Receivership Order"); AND UPON HAVING READ the Pre-Filing Report of the Receiver dated May 15, 2018, the First Report of

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the Receiver dated August 27, 2018, the Second Report of the Receiver dated October 9, 2018, the Supplement to the Second Report of the Receiver dated October 12, 2018, the Affidavit of Kristy Delure sworn October 11, 2018, and the Affidavit of William Darling sworn October 4, 2018; **AND UPON** hearing from counsel for the Receiver, ATB Financial (“**ATB**”), Business Development Bank of Canada, Haymax Energy Inc. (“**Haymax**”) and McPhedran Consulting Ltd. (“**McPhedran**”) and such other counsel as are present; **AND UPON** the decision of the Court having been reserved to this date;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The Amending Agreement between Haymax, McPhedran and Mustang dated March 30, 2015 (the “**Haymax/McPhedran Security**”):
 - (a) is valid and enforceable against Mustang in accordance with its terms;
 - (b) creates a valid security interest in favour of Haymax and McPhedran in the following: 2010 Rykar Mobile Rig serial number 2RCR545S2A16F8386; 2010 Rykar 72-140 Mast serial number RK6091010; 2005 Western Star T800 serial number 5KJRALCK55PN28007; and 1998 Western Star T800 serial number 2WLPCD2G4YK960579 (collectively, “**Rig #8**”);
 - (c) registration has been made under the *Personal Property Security Act*, RSA 2000 c. P-7 (the “**PPSA**”) to preserve, protect or perfect, where appropriate, the security interest created by the Haymax/McPhedran Security in favour of Haymax and McPhedran in Rig #8; and
 - (d) the Haymax/McPhedran Security in Rig #8, as evidenced by registration number 15041704915 in the Alberta Personal Property Registry, is in priority to all other claims listed in Schedule “B” hereto;

2. Haymax and McPhedran are entitled to submit a bid to purchase Rig #8 (the “**Credit Bid**”), provided that: (a) the Credit Bid must be on terms and conditions that are acceptable to the Receiver; (b) Haymax and McPhedran shall pay to Receiver an allocation of costs as agreed by the Receiver, Haymax and McPhedran, in consultation with ATB; and (c) the Receiver is entitled to accept such Credit Bid notwithstanding the sale approval thresholds contained in paragraph 2(l) of the Receivership Order.

3. Upon the Receiver's acceptance of the Credit Bid, the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Credit Bid or for the conveyance of the Rig #8 to McPhedran, Haymax or their nominee(s) (collectively, the "**Purchaser**").
4. Upon the delivery of a Receiver's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to Rig #8 hereto shall vest absolutely in the name of the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order;
 - (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and
 - (c) those Claims listed on **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**");

for greater certainty, this Court orders that all of the Encumbrances affecting or relating to Rig #8 are hereby expunged and discharged as against Rig #8.

5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of Rig #8 shall stand in the place and stead of Rig #8, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of Rig #8 with the same priority as they had with respect to Rig #8 immediately prior to the sale, as if Rig #8 had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

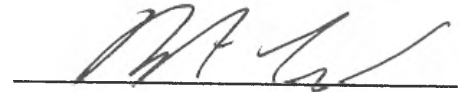
6. The Purchaser shall, by virtue of the completion of the Credit Bid, have no liability of any kind whatsoever in respect of any Claims against the Debtors.
7. The Debtors and all persons who claim by, through or under the Debtors in respect of Rig #8, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of Rig #8 and, to the extent that any such persons remains in possession or control of any of Rig #8, they shall forthwith deliver possession thereof to the Purchaser.
8. The Purchaser shall be entitled to enter into and upon, hold and enjoy Rig #8 for its own use and benefit without any interference of or by the Debtors, or any person claiming by or through or against the Debtors.
9. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser.
10. Notwithstanding:
 - (a) The pendency of these proceedings;
 - (b) Any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
 - (c) Any assignment in bankruptcy made in respect of the Debtors;

the vesting of Rig #8 in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. The Receiver, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full

force and effect to the terms of this Order and to assist and aid the parties in closing the Credit Bid.

12. Service of this Order on any party not attending this application is hereby dispensed with.
13. All parties to this application shall bear their own costs.

A handwritten signature in black ink, appearing to be 'J.C.Q.B.A.', is written above a solid horizontal line.

J.C.Q.B.A.

SCHEDULE "A"

COURT FILE NUMBER 1801-06866

Clerk's Stamp

COURT COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT ATB FINANCIAL

RESPONDENTS MUSTANG WELL SERVICES LTD., KKSER ENTERPRISES LTD.,
COMPLETE OILFIELD MANUFACTURING INC., REACTION
OILFIELD SUPPLY (2012) LTD., and MRBD LTD.

DOCUMENT **RECEIVER'S CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5

Telephone 403-351-2921
Facsimile 403-648-1151

File No. 45306-7

Attention: Jeffrey Oliver

RECITALS

- A. Pursuant to an Order of the Honourable Mr. Justice A.D. Macleod of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated May 17, 2018, FTI Consulting Canada Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Mustang Well Services Ltd., KKSER Enterprises Ltd., Complete Oilfield Manufacturing Inc., Reaction Oilfield Supply (2012) Ltd., and MRBD Ltd. (collectively, the "**Debtors**").
- B. Pursuant to an Order of the Court dated November 1, 2018 (the "**November Order**"), the Court approved the sale of Rig #8 (as further defined in paragraph 1(b) of the November Order. (the "**Sale Agreement**") between the Receiver, Haymax Energy Inc. and McPhedran Consulting Ltd. or their nominee (collectively, the "**Purchaser**") and provided

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for the vesting in the Purchaser of the Debtors' right, title and interest in and to Rig #8, which vesting is to be effective with respect to Rig #8 upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the purchase price for Rig #8; and (ii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the November Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the purchase price for Rig #8; and
2. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

FTI Consulting Canada Inc., in its capacity as Receiver of the undertaking, property and assets of the Debtors, and not in its personal capacity.

Per: _____

Name:

Title:

SCHEDULE "B"

Security Interests Registered at Alberta Personal Property Registry

Registration No.	Registration Date	Secured Party/Parties
18100323417	October 3, 2018	ATB Financial
14063016154	June 30, 2014	Alberta Treasury Branches
15041704915	April 17, 2015	Haymax Energy Inc. McPhedran Consulting Inc.
16051031155	May 10, 2016	BDC Capital Inc.
12071732626	July 17, 2012	Brightsand Holdings Ltd.
13032203643	March 22, 2013	Alberta Treasury Branches
17082234135	August 22, 2017	Sterling Crane Procrane Inc.