

COURT FILE NUMBER **Q.B. No. 151 of 2022**

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE **SASKATOON**

APPLICANT **RURAL MUNICIPALITY OF LACADENA No. 228
RURAL MUNICIPALITY OF MIRY CREEK No. 229
RURAL MUNICIPALITY OF SNIPE LAKE No. 259
GOVERNMENT OF SASKATCHEWAN, as
represented by the Minister of Energy and Resources**

RESPONDENT **ABBEY RESOURCES CORP.**

IN THE MATTER OF THE RECEIVERSHIP OF ABBEY RESOURCES CORP.

**AND IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT
ACT*, RSC 1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF ABBEY RESOURCES CORP.**

FOURTH AFFIDAVIT OF BRAD WAGNER

I, BRAD WAGNER, of the City of Regina, in the Province of Saskatchewan, MAKE OATH AND SAY THAT:

1. I am employed by the Government of Saskatchewan as represented by the Ministry of Energy and Resources (the "Ministry"), in the capacity of Director of Liability Management. I have reviewed the books and records of the Ministry prepared in the ordinary course of business. I swear this affidavit based on that review and my personal knowledge of the matters and facts deposed to herein, except where stated to be on information and belief and where so stated I verily believe the same to be true.
2. As the Director of Liability Management Branch I am responsible for overseeing programs aimed at ensuring oil and gas companies are able to meet their financial obligations respecting the decommissioning and clean-up of oil and gas infrastructure

and sites that are no longer economic, as well as the setting of standards for site reclamation and remediation.

3. As a Director for the Ministry, I am authorized to make this Affidavit on behalf of Ministry.
4. This affidavit is intended to supplemental my Third Affidavit in the proceedings centering around Abbey Resources Corp. (“Abbey”).

Abbey’s Response to Minister’s Order

5. On or about February 16, 2022 Abbey provided the Ministry with its written reply to the Ministry’s shut down order. A copy of the reply is attached to the affidavit of Kathryn Black filed concurrently.
6. In specific reply to some of the points raised by Abbey, I can advise as follows:
 - (a) In reply to paragraph 1(b), I note that in the nearly two months that had passed between receiving the risk assessment plan and the Ministry issuing the shut down order, Abbey took no steps to remedy the pipeline infrastructure or provide a plan to the Ministry for the same.
 - (b) While I indicated in my previous affidavit that the Ministry may allow for the restoration of the pipelines first, given the severity of the situation and lack of action taken by Abbey, the Ministry had no choice but to issue a shut down order.

Costs of Abandonment and Reclamation

7. Since the last hearing of this matter there has been some additional discussion take place with respect to the cost of abandonment and reclamation faced by Abbey (and in the event of its default, the Orphan Well Fund).
8. As a result, I have had occasion to revisit the earlier demand for security of \$13,445,871.21, made by the Ministry and stayed by order of this honourable court.

- 9. The Ministry maintains its position with respect to the necessity for the additional security and with respect to the amount required. This demand for security will persist following the *Companies' Creditors Arrangement Act* proceedings and is a continuing obligation for Abbey.
- 10. I can accordingly advise the Court that the Ministry does have real concern about the continued non-compliant operation of the wells absent the posting of the requisite security and is reviewing its options respecting the need for the required security as a condition of continued operation of Abbey's wells in accordance with section 17.01 of *The Oil and Gas Conservation Act*.

Other Matters

- 11. In paragraph 45(c) of my Third Affidavit, I can advise the Court that there was an error in the wording, caused during a late amendment to the draft affidavit typographical error. The application attached at Exhibit G of my Third Affidavit was an Application for Pipeline Liner Install and not, as was mentioned therein, to operate a facility. The fact does remain true that Abbey misrepresented that it had implemented a Safety and Loss Management System. However, I wished to advise the Court as to this error as to the description of the application exhibited.

Conclusion

- 12. I make this affidavit in opposition to an extension of the stay of proceedings in this matter, and in support of an application to appoint a receiver over the assets and undertaking of Abbey.

SWORN BEFORE ME VIA ELECTRONIC)
 MEANS at the City of Saskatoon,)
 in the Province of Saskatchewan,)
 this 25th day of February 2022.)


 _____)

A COMMISSIONER OF OATHS
 In and for the Province of Saskatchewan.
 Being a solicitor



 BRAD WAGNER

CONTACT INFO AND ADDRESS FOR SERVICE:

ROBERTSON STROMBERG LLP

Suite 600, 105 – 21st Street East
Saskatoon, SK S7K 0B3

Lawyer in Charge of file: M. Kim Anderson, Q.C. and Travis K. Kusch
Direct Line: (306) 933-1344
Facsimile: (306) 652-2445
E-Mail: mk.anderson@rslaw.com/t.kusch@rslaw.com

FORM PD1

(Enacted April 16, 2020)

(Amended August 7, 2020)

**DECLARATION OF LAWYER WHO HAS WITNESSED DOCUMENTS
VIA ELECTRONIC MEANS**

I, James D Steele, of Saskatoon, in the Province of Saskatchewan, a Lawyer, did on February 25, 2022 witness Brad Wagner sign the following documents via electronic means:

1. Fourth Affidavit of Brad Wagner dated February 25 2022

Pursuant to Law Society of Saskatchewan Practice Directive 1, issued March 25, 2020 and amended on August 7, 2020, I have turned my mind to the risks associated with the witnessing of documents via electronic means. I have assessed the following risks, and have answered "yes" or "no" to indicate where I have identified concerns:


1. Have I identified any indicia that the transaction might be fraudulent? No
2. Did I identify concerns, including the physical presence of a third party in the company of my client while they were signing the documents, suggesting that there is a risk that the client may be subject to undue influence or duress? No
3. Did I identify concerns about my client's understanding about the documents they are executing? No
4. Did I identify concerns about my client not having an adequate opportunity to ask questions about the document being signed? No

Where I have indicated "yes" to the statements above, I managed the risks by the following means:

Attached hereto is a screen capture of my client with their photo identification that was presented to me via electronic means during the session where the above noted documents were executed.

I DO SOLEMNLY DECLARE that the statements contained in this form are complete and true in every respect. AND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

February 25, 2022



Signature of Lawyer

- 9. The Ministry maintains its position with respect to the necessity for the additional security and with respect to the amount required. The demand for security will persist following the Companies' Creditors Arrangement Act proceedings and is a continuing obligation for Abbey.
- 10. I can accordingly advise the Court that the Ministry does have real concerns about the continued non-compliant operation of the wells about the pricing of the required security and is reviewing its options respecting the need for the required security as a condition of continued operation of Abbey's wells in accordance with section 17(2) of The Oil and Gas Conservation Act.

Other Matters

- 11. In paragraph 41(x) of my Third Affidavit, I can advise the Court that there was an error in the wording, caused during a late amendment to the draft affidavit, in the caption attached as Exhibit G of my Third Affidavit was "Energy Trust" and not, as was mentioned therein, "Energy Trust Management System". However, I wanted to advise the court of the discrepancy of the application exhibited.



...in an extension of the way of proceedings in this matter, and in support of an application to appoint a receiver over the assets and undertaking of Abbey.

SWORN BEFORE ME VIA ELECTRONIC MEANS at the City of Saskatoon, in the Province of Saskatchewan, this 27th day of February 2022.

[Signature]
BRAD WALNER

A COMMISSIONER OF JUSTICE
in and for the Province of Saskatchewan,
Being a witness