

Form 6-5
(Rule 6-5)

COURT FILE NUMBER Q.B. No. 733 of 2021
COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE SASKATOON
APPLICANT ABBEY RESOURCES CORP.

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.

NOTICE OF APPLICATION

(Re: Application for Fourth Extension Order and Amendment of Initial Order)

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:

Where 1800 Central Avenue
 Prince Albert, SK S6V 4W7

Date January 27, 2022

Time 10:00 A.M.

Proceeding Virtually by WebEx Hearing

NOTE: Due to the health risks posed by the COVID-19 pandemic, all chambers applications will be heard by telephone unless the presiding judge has decided otherwise. Dial-in or WebEx login particulars may be obtained upon request by contacting counsel for the Applicant, DLA Piper (Canada) LLP, at the address for service listed below.

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

**APPLICATION FOR A FOURTH EXTENSION ORDER AND OTHER RELIF PURSUANT TO THE
*COMPANIES' CREDITORS ARRANGEMENT ACT***

Remedy claimed or sought:

1. The Applicant, Abbey Resources Corp., seeks Orders pursuant to sections 11, 11.02, of the *Companies' Creditors Arrangement Act*, RSC 1985 c C-36, (the "**CCAA**"), Rule 13-7(2) of *The Queen's Bench Rules* and the inherent jurisdiction of this Honourable Court, substantially in

the form of the draft Fourth Extension Order and draft Distribution Order, all filed herewith:

- a. re-affirming the relief granted in the August 13, 2021, Initial Order of the Honourable Mr. Justice G.A. Meschishnick (the “**Initial Order**”) granted in these proceedings;
- b. validating the time for service of this Notice of Application and materials filed therewith;
- c. providing that the stay of proceedings imposed in the Initial Order shall be further extended up to and including 11:59 p.m. on the April 27, 2022;
- d. amending, *nunc pro tunc*, paragraph 9 of the August 13, 2021, Initial Order, granted in these proceedings to provide that the Applicant shall pay property lease rental amounts on a *per diem* basis; and
- e. providing such further and other relief that Court may deem appropriate or necessary.

Grounds for making this application:

Fourth Extension

2. Section 11.02(3) of the CCAA empowers this Honourable Court with the authority to extend the stay of proceedings imposed in the Initial Order provided that it is satisfied that appropriate circumstances exist to extend the stay and that the Applicant has continued to act in good faith and with due diligence.
3. The Applicant continues to act in good faith and with appropriate due diligence in all matters connected to its restructuring in these proceedings and its business and affairs generally.
4. Appropriate circumstances exist for this Honourable Court to extend these proceedings further. The Applicant has, without limitation:
 - a. continue to carry on its natural gas extraction and sales business without the need for interim financing or the liquidation of any of its assets;
 - b. continued to make payments of post-filing financial monetary obligations;
 - c. prepared a detail financial model (the “**2022 Forecast**”) forecasting all income and expenditures through to the end of 2022; and
 - d. prepared a viable restructuring plan based on projections contained in the 2022 Forecast.
5. The Applicant further submits that it is presently unlikely that its business assets may be sold as a going concern and that there is no viable alternative to its restructuring in these proceedings.

Amendment to Initial Order

6. The Applicant states that the portion of paragraph 9 of the Initial Order, which is was adapted from the Template CCAA Initial Order endorsed by this Honourable Court, requiring the Applicant to pay “all amounts constituting rent” is not strictly required by any provision within the CCAA. Furthermore, it is submitted that the text of the Initial Order was not drafted in contemplation of oil and gas surface leases, which require payment of rents a year in advance, but rather commercial leases which, by trade practice, almost uniformly require payment of rent monthly.
7. The Applicant submits that its restructuring plan would be rendered untenable and that it would not be in a position to carry on business if it were required to pay surface lease rents a year in advance on all un-amended surface leases. Accordingly, the Applicant seeks to amend the Initial Order to provide that the Applicant shall pay surface lease rental amounts on a *per diem* basis as opposed to an annual basis, unless otherwise modified by express agreement.
8. Given that the amendment sought by the Applicant expressly requires payment to lessors for property used by the Applicant as such property used, it is submitted that the amendment sought by the Applicant does not offend the restrictive provisions of section 11.01 of the CCAA, which provides that courts may not make an order under sections 11 or 11.02 of the CCAA prohibiting a person from requiring immediate payment for use of leased property or the advance of money or credit.
9. It is therefore submitted that this Honourable Court should exercise its broad discretionary authority under section 11 of the CCAA to amend the Initial Order in the manner set out in the draft Order filed herewith.

Material or evidence to be relied on:

10. The Applicant relies on the following materials in support of its Application:
 - a. Notice of Application;
 - b. Affidavits of James Gettis, dated July 13, 2021, July 15, 2021, July 28, 2021, August 3, 2021, and August 10, 2021, September 30, 2021, November 16, 2021, and January 21, 2022;
 - c. The Fourth Report of the Monitor, MNP Ltd.;
 - d. (draft) CCAA Fourth Extension and Amendment Order;
 - e. Brief of Law (to be filed);

- f. Service List; and
- g. Such further and other material as counsel may advise and the Court may allow.

Applicable rules:

- 11. *The Queen's Bench Rules*, Rule 13-7.

Applicable Acts and regulations:

- 12. *Companies Creditors' Arrangement Act*, RSC 1985, c C-36, at s 11, 11.02(2), and 11.1(3);

DATED at Edmonton, Alberta, this 21st day of January, 2022.

DLA PIPER (CANADA) LLP

Per:



Jerritt R. Pawlyk and Kevin N. Hoy,
Counsel to Abbey Resources Corp.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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