

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 Interim Regulatory Stay)

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 AN INTERIM REGULATORY STAY PURSUANT TO THE *COMPANIES'*
*CREDITORS ARRANGEMENT ACT***

Remedy claimed or sought:

1. The Applicant, Abbey Resources Corp., seeks Orders pursuant to sections 11, 11.1(3), 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 Interim Regulatory Stay Order, all filed herewith:

- a. staying the Minister's Order dated January 24, 2022, (the "**Minister's Order**"), issued by the Ministry of Energy and Resources (the "**MOER**") pursuant to *The Oil and Gas Conservation Act*, RSS 1978, c O-2, (the "**O&G Act**") and *The Pipelines Act, 1998*, SS 1998, c P-12 (the "**Pipelines Act**") in respect of certain of the Applicant's pipeline infrastructure for a period ending concurrent with the period set out in the Fourth Extension Order; and
- b. providing such further and other relief that Court may deem appropriate or necessary.

Grounds for making this application:

2. On January 24, 2022, at 4:33 p.m., the MOER conveyed to the Minister's Order to the Applicant without any advance notice of its intention to do the same. The Minister's Order, made pursuant to *The Pipelines Act, 1998*, (the "**Pipelines Act**") and *The Oil and Gas Conservation Act* (the "**O&G Act**"), was not coupled with any written reasons for its issuance and fails to even identify the specific subsections of the legislation pursuant to which it was granted.
3. The Minister's Order immediately suspended the licenses to a sufficient number of segments of the Applicant's pipeline infrastructure to have systemic effects on the Applicant's ability to transfer natural gas produced from its wells.
4. The abrupt and disorderly shut down of all of the flow lines identified in the appendix to the Minister's Order during winter would cause damage to the Applicant's property and would pose risks to the environment.
5. The Applicant has not been afforded the opportunity to make any submissions or representations to the MOER concerning the Minister's Order or to repair, recondition, or otherwise improve the pipeline infrastructure in question.
6. The Applicant respectfully submits that the MOER's decision to issue the Minister's Order:
 - a. was issued without regard to, and in violation of, the common law duty of procedural fairness owed to the Applicant;
 - b. was unreasonable; and
 - c. constituted a failure to act in good faith contravention of section 18.6 of the CCAA and was done for the ulterior purpose of seeking the premature termination of these

proceedings.

7. Section 11.1(3) of the CCAA empowers this Honourable Court with the authority to stay regulatory proceedings against an applicant debtor if the Court is satisfied that:
 - a. a viable compromise or arrangement could not be made in respect of the company if that subsection were to apply; and
 - b. it is not contrary to the public interest that the regulatory body be affected by the order made under section.

8. A limited regulatory stay is necessary for the purposes of the Company's restructuring so as that the Company may:
 - a. continue to carry on business without losing a material fraction of its average daily natural gas production and resulting sales revenue losses therefrom;
 - b. avoid permanently damaging its equipment;
 - c. may have adequate time to prepare and bring forward an Application for Judicial Review of the Minister's Order;
 - d. petition the MOER to reconsider its decision to issue the Minister's Order pursuant to section 6.1(2) of the O&G Act; and
 - e. exercise its right to convey written submissions to the MOER pursuant to section 12(5) of the Pipelines Act.

9. The regulatory stay sought by the Applicant is not contrary to the public interest that the MORE is charged to protect because the temporary continued pipeline infrastructure in question pending the Company's forthcoming application for judicial review does not pose any immediate risk to the environment, persons, or property that is materially different from the moderate and ordinary risk such property has posed in the recent years of its operation.

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, January 21, 2022; January 26, 2022;
 - c. The Fourth Report of the Monitor, MNP Ltd.;
 - d. (draft) Interim Regulatory Stay Order;

- e. Brief of Law, dated August 4, 2021;
- 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 11.1(3);
- 13. *The Pipelines Act, 1998*, SS 1998, c P-12, s 12; and
- 14. *The Oil and Gas Conservation Act*, RSS 1978, c O-2, s 17.01.

DATED at Edmonton, Alberta, this 26th 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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