

Form 13-31
(Rule 13-31)

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 (the "CCAA")

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

TENTH AFFIDAVIT OF JAMES GETTIS

I, James Gettis, of the City of Calgary, in the Province of Alberta, make oath and say as follows:

1. I am the President and sole director of Abbey Resources Corp. (the "**Company**"), and as such, I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be on information and belief, and whereso stated, I verily believe the same to be true.
2. Herein, I make reference to certain of my Affidavits previously filed in these proceedings - particularly, my Affidavit dated July 13, 2021, (the "**First Gettis Affidavit**") my affidavit dated July 28, 2021, (the "**Third Gettis Affidavit**") my affidavit dated August 19, 2021, (the "**Fifth Gettis Affidavit**"), my Affidavit dated October 1, 2021 (the "**Sixth Gettis Affidavit**"), my Affidavit dated November 16, 2021 (the "**Seventh Gettis Affidavit**"), my Affidavit dated November 23, 2021 (the "**Eighth Gettis Affidavit**"), and my Affidavit dated January 21, 2022 (the "**Ninth Gettis Affidavit**"). Capitalized terms not expressly defined in this Affidavit have the same meanings ascribed to them in the aforementioned Affidavits.
3. This Affidavit is filed further to the Ninth Gettis Affidavit and in support of the Company's application seeking an interim regulatory stay.

January 24, 2022 Minister's Order

4. On January 24, 2022, at 4:33 p.m., Saskatchewan time, the Company received an Minister's Order identified as MRO 14/20 (the "**Minister's Order**") concerning the Company's pipeline infrastructure. A copy of the Minister's Order appears to be appended to the Affidavit of Kathryn A. Black dated January 25, 2022, as Exhibit "B" thereto. I am attaching the email in which the Minister's Order was received from Ms. Black as Exhibit "**A**" of this Affidavit. I note that the said email states as follows:

Please find attached an order to suspend the operation of identified segments – high and very high risk segments identified in your risk assessment report.

The order requires all segments to be shut in by Monday, February 7th, 2022,

5. Upon review of the Minister's Order and the email under which it was conveyed, the Company was left uncertain as to the specific direction imposed upon it by the Ministry. Both the Minister's Order and the email from Ms. Black speak to a deadline to shut in flow lines of February 7, 2022. Given the impossibility of an immediate, safe and orderly shut down of the affected flow lines (which I discuss in greater detail below), the Company initially presumed that the Minister's Order required gas to cease flowing through the affected pipelines by not later than February 7, 2022. The Company's restructuring counsel contacted legal counsel for the MOER on January 25, 2022, to confirm whether this was, in fact, the case. I am advised by the Company's restructuring counsel, and believe it to be true, that counsel for the MOER advise the Company's restructuring counsel during the afternoon of January 25, 2022, that the effect of the Minister's Order was to immediately suspend operations at all of the pipelines in question. At that time, I assessed whether it would be possible from a technical standpoint to comply with the Minister's Order by shutting in numerous pipeline segments immediately. For the reasons discussed below, I determined it was not.
6. The Minister's Order was sent to the Company *apropos* of nothing. No advance notice whatsoever was provided to the Company of the MOER's intention to issue the Minister's Order. No dialogue between any MOER representatives and the Company occurred prior to the issuance of Minister's Order. At no point subsequent to the completion of the Pipeline Assessment Analysis has the MOER reached out to discuss any matters relating to the Pipeline Assessment Analysis - no further information has been solicited from the Company, no meetings have been proposed, no concerns have been flagged, no directives to repair or remediate any of the Company's pipeline infrastructure have been imposed. No reasons of any kind for the Minister's Order have been provided to the Company by the MOER.
7. It would be an understatement to say that the Company did not anticipate receipt of the Minister's Order. Prior to the issuance of the Order, the Company understood and anticipated that it would have the opportunity to work with the MOER to address issues concerning the problematic segments of its pipeline infrastructure. The Company's belief in this regard was premised, without limitation, on the Affidavit of Brad Wagner dated August 3, 2021, filed in these proceedings, which expressly indicated that any Ministerial direction to suspend the Company's license to operate flow lines would come following the Company's failure to remediate .
8. Additionally, the Company was under the belief that preparation of the Risk Assessment Analysis for the benefit of the MOER was for the purpose of preparing a mitigation plan in consultation with the Ministry that would enable the Company to mitigate pipeline risk. The Company's belief in this regard was founded on the representations of the MOER in its September 3, 2021, correspondence imposing

the requirement to prepare the Risk Assessment Analysis. It is noted in that correspondence, which was previously disclosed as Exhibit “H” to the Sixth Gettis Affidavit, “[t]he purpose of this risk assessment is to identify and prioritize risk so that Abbey can develop a mitigation plan that can effectively reduce the number of [pipeline] incidents.”

Pipeline Risk Status

9. The frequency or severity of pipeline leaks and spills has not increased. Below is a summary of the total number of line breaks encountered by the Company by year since becoming fully operational:

Year	Total Line Breaks
2017	40
2018	48
2019	50
2020	40
2021	55

10. The Company’s pipeline infrastructure as suffered from eight of total line breaks since November of 2021, with six occurring in November, one occurring in December, and one occurring in January

11. I am not aware of any abnormal adverse changes, aside from ordinary wear and degradation, to the Company’s pipeline infrastructure or other assets that has occurred in the past 12 months that would materially increase its susceptibility to line breaks, or would increase the severity of line breaks when they do occur.

12. The Company’s most recent line break occurred on January 20, 2022. The Company addressed the spill resulting from the line break in the ordinary course by arranging for its land management contractor, Millennium Land, to dispatch environmental technicians to the site of the line break. The pipeline in question was immediately shut in. The line break, which was minor in nature, was reported to MOER. I am attaching Millennium Land’s photographic log and site map, collectively, as Exhibit “B” of this Affidavit.

13. The January 20, 2022, line break is typical of most pipeline failure incidents resulting from the Company’s pipeline infrastructure. Spills result in the release of natural gas and the leaking of fluid. Though problematic, natural gas leaks from line breaks are moderate as the lines in question are designed to operate at lower pressures. The lines in question have an operating pressure of 25 PSI, in most cases - this is roughly 10 PSI less than the pressure of a typical automotive tire. By way of comparison, I note that the TransGas lines into which the Company’s natural gas is fed after processing are pressured to over 1,000 PSI.

14. The fluid that leaks from line breaks is comprised predominately of water and minerals that travel into pipelines as gas is extracted. The fluid does not contain oil or material quantities of any other hydrocarbons. All spill sites are tested to detect contaminants so as that remediation measures beyond cleanup of the spill can be undertaken.
15. For greater certainty, the Company recognizes that it needs to implement a permanent solution to address the problematic segments of its pipeline so as to ensure that pipeline leaks do not continue going forward. To that end, the Company wishes to work with the MOER to address the pipeline mitigation plan discussed in the Ninth Gettis Affidavit.

Impossibility of Orderly Immediate Shut-In

16. The Company is unable to shut-in the company's pipeline infrastructure on an immediate basis during winter months while adhering to good oilfield practices and avoiding damage to its equipment. Shutting in the pipelines identified in the Minister's Order will necessitate the shutdown of numerous pieces of the Company's equipment. Company's compressor stations, pressure vessels and dehydrators. The compressor stations are both powered and heated by natural gas flowing from the pipelines in question.
17. Shutting down equipment improperly risks severe damage to the equipment from freezing. The Company is concerned that damage to the equipment would obviously erode the value of Company's assets and render it impossible for resumption of gas extraction operations at full-capacity without significant capital expenditures.
18. Both industrial fluids, such as lubricants and coolants, and water transmitted through flow lines to the Company's plant infrastructure is at risk of freezing. Though any leaks resulting from freezing would be limited in volume to the fluid contained within the equipment in question, it would still be possible for environmentally damaging chemicals - particularly, lubricants and ethylene glycol - to contaminate soils under or around the Company's plant infrastructure.
19. At present, the Company estimates that it would likely take 21 days to facilitate the shutdown of all equipment at risk. During the interim regulatory stay period sought by the Company, the Company will evaluate all options available to it to expedite the shut in process, in the event that is ultimately forced to comply with the Minister's Order. The Company remains open to dialogue with the MOER as it relates to protocols to ensure maximal protection of the environment during the decommissioning period.
20. The economic consequences of shutting in the pipeline infrastructure in question would be severe. Though the Company has not conducted an analysis, its initial estimate is that immediate compliance with the Minister's Order would reduce its daily natural gas production by roughly half. The Company's restructuring plan as it is currently contemplated would not be possible with the Company operating at half-production.

Risk Assessment Analysis

- 21. Given my status as a Professional Engineer, who is a member in good standing of both the Association of Professional Engineers and Geoscientists of Alberta and the Association of Professional Engineers and Geoscientists of Saskatchewan, I acted as the Company's liaison with Explore Inc. as Bob Prieston, P.Eng., prepared the Risk Assessment Analysis. The Risk Assessment Analysis assessed risk in relative, not absolute terms. This is to say, the pipeline segments identified as "high risk" and "very high risk" are identified as such as being the most at-risk amongst the Company's pipeline infrastructure.
- 22. The majority of both "high risk" and "very high risk" flow line segments have not suffered from failures. There are roughly 95,000 total "high risk" and "very high risk" individual flow line segments, collectively, in the Company's pipeline infrastructure. Failure of 55 segments a year - i.e. the peak failure rate encountered in the past five years - represents an annual failure rate of roughly 0.0058% of these segments.

Conclusion

- 23. For the reasons set out above, the Company seeks a temporary stay of the Minister's Order so as to allow it to take the requisite steps to avail itself of any rights it may have resulting from the issuance of Minister's Order including, without limitation, an application for judicial review of that decision. In the meantime, the Company remains committed to working with the MOER to take all reasonable steps to reduce the risk of damage to persons, property, and the environment resulting from the operation of the Company's pipeline infrastructure and other assets.
- 24. I make this Affidavit in support of the Company's Application for an Interim Regulatory Stay Order and other relief under the CCAA and for no other or improper purpose.

SWORN before me at the City of)
Calgary, in the Province of)
Alberta, this 26th day of)
January, 2022.)
_____)



James Gettis

A Commissioner for Oaths for
the Province of Alberta
My appointment expires: _____
Or Being a Solicitor

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of Firm: **DLA PIPER (CANADA) LLP**
Name of lawyer in charge of file: Jerritt R. Pawlyk / Kevin Hoy
Address of legal firm: Suite 2700
10220 - 103rd Ave NW
Edmonton, AB T5J 0K4
Telephone number: 780.429.6835
Facsimile: 780.670.4329
Email: jerritt.pawlyk@dlapiper.com / kevin.hoy@dlapiper.com

Field Code Changed

Field Code Changed

FORM PD1

(Enacted March 25, 2020)

(Amended August 7, 2020)

DECLARATION OF LAWYER WHO HAS WITNESSED DOCUMENTS

VIA ELECTRONIC MEANS

I Kevin Hoy, of Calgary, in the Province of Alberta, a Lawyer, did on January 26, 2022 witness James Gettis sign the following documents via electronic means:

1. January 26, 2022, Affidavit of James Gettis
- 2.
- 3.

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.

October 1, 2021

DATE

"Kevin Hoy"

Signature of Lawyer

High Performance Concrete

The Contractor is a Professional Engineer who is a member in good standing of the Association of Professional Engineers and Geoscientists of Alberta with the Association of Professional Engineers, Geoscientists and Technicians, located at the Company's location with 2 copies of the Project Manual, including the Risk Management Section. The Risk Management Section consists of a table of risk items listed. There is one risk item specifically identified as "high risk" and "very high risk" and identified as such as being the most serious damage to Contractor's positive structure.


The majority of both "high risk" and "very high risk" risk items represent loss of a portion from failure. There are roughly 40 "high risk" and "very high risk" items in the risk management section. The Contractor's positive structure failure of 100% represents a loss of roughly 1.0 million of these amounts.

Conclusion

20. For the reasons set out above, the Company, under a separate agreement with the Contractor, shall be able to take the necessary steps to avoid and/or reduce the risk of loss resulting from the occurrence of Worker's Death including without limitation, an application for coverage under a third party liability policy. The Company remains committed to working with the Contractor to ensure that the Contractor is able to reduce the risk of damage to persons, property and the environment resulting from the operation of the Company's existing infrastructure and other assets.

21. I agree the attached is a copy of the Company's application to the relevant regulatory body under and under the CCRA and to be able to proceed.

Accepted and signed on behalf of the City of
Edmonton, the 10th day of
January, 2023.



Contractor to City of
Edmonton
1000010000
1000010000

This is **Exhibit "A"** referred to in the Affidavit of
JAMES GETTIS
Sworn before me this 26th day of January, 2022.



A Notary Public in and for the Province of Alberta
My Appointment Expires:
Being a Solicitor

Hoy, Kevin

From: Hoy, Kevin
Sent: Wednesday, January 26, 2022 8:40 PM
To: Hoy, Kevin
Subject: FW: [EXTERNAL] FW: ORDER TO SUSPEND
Attachments: Jan 24 2022- MRO to Suspend Operation of Identified Segments.pdf

From: Black, Kathryn A ER <kathryna.black@gov.sk.ca>

Sent: Monday, January 24, 2022 4:33 PM

To: jim.gettis@abbeyr.ca

Cc: Hordenchuk, Sharla ER <sharla.hordenchuk@gov.sk.ca>; Wagner, Brad ER <Brad.Wagner@gov.sk.ca>; Kowal, Kenneth ER <Ken.Kowal@gov.sk.ca>; Lenz, Scott ER <Scott.LENZ@gov.sk.ca>; Lowe, Tiffany ER <Tiffany.Lowe@gov.sk.ca>; Lang, Chad ER <chad.lang@gov.sk.ca>; Dayman, Julie ER <julie.dayman@gov.sk.ca>

Subject: ORDER TO SUSPEND

Importance: High

Good afternoon,

Please find attached an order to suspend the operation of identified segments – high and very high risk segments identified in your risk assessment report.

The order requires all segments to be shut in by Monday, February 7th, 2022, with proper discontinuation of the same segments, in accordance with Clause 10.15.1 of CSA Z662:19 Oil and gas pipeline systems, to be completed by Monday, April 25th, 2022.

Thank you

Kathryn

Kathryn A Black, P.Eng, LPEI

[Government of Saskatchewan](#)

Director, Facilities and Pipelines

Field Services

Ministry of Energy and Resources

14th Floor, 1945 Hamilton Street

Regina, Saskatchewan, CANADA, S4P 2C7

Cell: (306) 570-3129




Saskatchewan Trade & Invest - [LinkedIn](#) | Saskatchewan Trade & Invest - [Twitter](#) | ThinkSask - [YouTube](#)





This is **Exhibit "B"** referred to in the Affidavit of
JAMES GETTIS
Sworn before me this 26th day of January, 2022.




A Notary Public in and for the Province of Alberta
My Appointment Expires:
Being a Solicitor

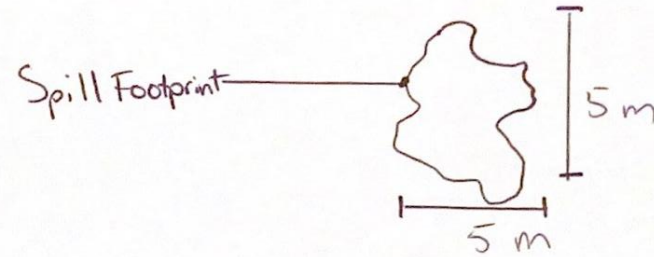
CLIENT NAME: Abbey Resources Corp.	
PROJECT NAME: Abbey 09-06-022-20 W3M – January 20, 2022 Release	
PHOTOGRAPH ID: 1	
PHOTOGRAPH LOCATION: Southwest of spill area	
DIRECTION: Northeast	
DATE: January 20, 2022	
COMMENTS:	
View of the spill area and surrounding landscape. Photo c/o Abbey Resources.	

PHOTOGRAPH ID: 2	
PHOTOGRAPH LOCATION: South of spill area	
DIRECTION: North	
DATE: January 24, 2022	
COMMENTS:	
View of spill area and surrounding landscape.	

CLIENT NAME: Abbey Resources Corp.	
PROJECT NAME: Abbey 09-06-022-20 W3M – January 20, 2022 Release	
PHOTOGRAPH ID: 3	
PHOTOGRAPH LOCATION: East of spill area	
DIRECTION: West	
DATE: January 24, 2022	
COMMENTS:	
View of spill area and surrounding landscape.	

PHOTOGRAPH ID: 4	
PHOTOGRAPH LOCATION: North of spill area	
DIRECTION: South	
DATE: January 24, 2022	
COMMENTS:	
View of spill area and surrounding landscape.	

SPILL SITE DIAGRAM



Grid Road

Field Line

Yard

Approximate Total Area: 27 m²

1500 meters

ROUTE MAP
(Not to Scale)

08-06
Well

SPILL RESPONSE FORM

PROJECT NAME

Abbey 09-06-22-20W3M

CLIENT: Abbey

DIAGRAM No.

DRAWN BY: J. Steele

MLL FILE NO. E 5043



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