



COURT FILE NUMBER 2003-06728

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROMSPEN MORTGAGE LIMITED PARTNERSHIP AND ROMSPEN INVESTMENT CORPORATION

DEFENDANTS 3443 ZEN GARDEN LIMITED PARTNERSHIP, LOT 11 GP LTD., LOT 11 LIMITED PARTNERSHIP, ECO-INDUSTRIAL BUSINESS PARK INC., ABSOLUTE ENERGY RESOURCES INC., ABSOLUTE ENVIRONMENTAL WASTE MANAGEMENT INC., AND DANIEL ALEXANDER WHITE

DOCUMENT **SECOND REPORT OF MNP LTD. RECEIVER**

DATE May 30, 2022

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOENT  
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## Appendices

Appendix A	February 14, 2022 AER Order
Appendix B	AER License Restriction Notice
Appendix C	RCAM Confirmation Letter
Appendix D	Operational Plan
Appendix E	Sroule Assessment
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## INTRODUCTION

1. On November 4, 2021 Lot 11 GP Ltd. ("**LGP**"), Lot 11 Limited Partnership ("**LLP**"), Eco-Industrial Business Park Inc. ("**Eco**"), Absolute Energy Resources Inc. ("**AERI**"), and Absolute Environmental Waste Management Inc. ("**AEWM**") (collectively hereinafter referred to as the "**Companies**") were placed into receivership (the "**Receivership**") by an Order (the "**Receivership Order**") of the Court of Queen's Bench of Alberta (the "**Court**") with MNP Ltd. named as Receiver (the "**Receiver**") over the assets of the Companies (the "**Property**")
  
2. The Companies had interests in the following businesses/assets:
  - a) AEWM is an operating company that operated one of two industrial waste disposal wells licensed to Eco which are located at the Eco Industrial Business Park in the City of Edmonton (defined below as the "Eco Lands"). Neither disposal well is currently operating, and AEWM does not own any assets;
  
  - b) Eco is the owner of real estate, legally described in Schedule A to the Receiver's First Report dated January 31, 2022 (the "**First Report**") (the "**Eco Lands**").
  
  - c) Eco is also the licensee of the two disposal wells located on the Eco Lands, has a disposal facility licence and owns all physical assets and equipment located on the Eco Lands. AEWM managed one of the disposal wells known as the 11-17 well (license number W0036962) (the "**11-17 Well**") and Celanese Canada ULC ("**Celanese**") used the other disposal well known as the 10-17 well (license number W0028527) (the "**10-17 Well**") pursuant to purchase and sale agreement dated August 21, 2007 (the "**Celanese PSA**"). (The 11-17 Well and the 10-17 Well shall hereinafter be collectively referred to as the "**Wells**").
  
  - d) LGP is the owner certain lands legally described in Schedule A to the First Report (the "**Lot 11 Lands**"). The Lot 11 Lands are adjacent to and contiguous with the Eco Lands (The Eco Lands and the Lot 11 Lands shall hereinafter be referred to collectively as the "**Lands**").
  
  - e) AERI was established with the intent of purchasing additional lands in or around Lamont, Alberta; however, the anticipated purchase of lands did not materialize and AERI does not hold any assets.
  
  - f) LLP is an Alberta limited partnership, the general partner for which is LGP.
  
3. In addition to assets described above, the Companies were party to certain ongoing litigation as of the date of Receivership. Actions against the Companies were stayed by virtue of the provisions of

the Receivership Order. Following the Receiver's appointment, the Receiver's legal counsel, Osler, Hoskin & Harcourt LLP ("**Osler**") conducted a preliminary review of various litigation in which any of the Companies are named as Plaintiffs in order to determine that there were no urgent steps that required immediate attention. The Receiver continues to review the litigation to determine whether any of these actions should be pursued.

4. This is the Receiver's Second Report to Court (the "**Second Report**"), and it should be read in conjunction with the First Report.
5. Information on the receivership proceedings can be accessed on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/absolute-et-al>.
6. All amounts included herein are in Canadian dollars unless otherwise stated.

#### **NOTICE TO READER**

7. In preparing the Second Report and making comments herein, the Receiver has relied upon certain unaudited, draft or internal financial information, including the Companies' books and records, and information from other third-party sources (collectively, the "**Information**"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada (the "**Standards**"). Additionally, none of the Receiver's procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the Information in accordance with the Standards, additional matters may come to the Receiver's attention. Accordingly, the Receiver does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of the Second Report.
8. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the use of the Second Report. Any use which any party makes of the Second Report or any reliance or decision to be made based on the Second Report is the sole responsibility of such party.



### PURPOSE OF THE SECOND REPORT

9. The purpose of the Second Report is to provide this Honourable Court with the Receiver's comments and information in respect of the activities of the Receiver since the First Report and information in respect of an application by the Receiver seeking the following relief:
- a. Approving the reported actions of the Receiver in administering the receivership proceedings;
  - b. Increasing the Receiver's borrowing limit from \$700,000 to \$2,000,000; and,
  - c. Granting a sealing order (the "**Sealing Order**") in relation to the confidential supplement to the Second Report (the "**Confidential Supplement**").

### ACTIVITIES OF THE RECEIVER

- 12 Since the First Report, the Receiver has maintained and undertaken the following activities:
- a. Maintained security checks and measures in respect of the Lands;
  - b. Continued to manage rental agreements in respect of the Lands;
  - c. Corresponded with various stakeholders, including the former director, in respect of the existence and location of books and records of the Companies;
  - d. Corresponded with Canada Revenue Agency ("**CRA**") regarding the existence of records in order to facilitate a request for a trust audit on the Companies' accounts;
  - e. Prepared and filed the requisite statutory returns with CRA;
  - f. Obtained additional insurance coverage, including environmental liability coverage, over the Lands and the Wells as required by the Alberta Energy Regulator ("**AER**");
  - g. Conducted additional meetings with Celanese and its legal counsel regarding the 10-17 Well and other associated facilities on the Lands;
  - h. Corresponded further with the AER concerning repair work on and possible operation of the Wells;
  - i. Continued to work with Sproule Asset Management Limited ("**Sproule**") to perform work on the Lands to address urgent environmental and safety concerns;
  - j. Worked with Sproule to assess various options to test and repair the Wells and potentially restart operations, including assessments on the Wells;
  - k. Corresponded with Romspen and its legal counsel; and,
  - l. Corresponded with and met with Osler with respect to various estate matters.

### **SUMMARY OF OPERATIONAL ISSUES**

6. On February 14, 2022, following discussions between the Receiver and the AER, the AER issued an Order (the "**AER Order**") under sections 22, 26.2, and 27 of the *Oil and Gas Conservation Act*, 22.1 of the *Pipeline Act*, and 140 and 241 of the *Environmental Protection and Enhancement Act* that required the Receiver to take certain steps, including the provision of a plan to the AER setting out Reasonable Care and Measures ("**RCAM**") in respect of the safety of the Wells. Additionally, the AER Order required (amongst other things) that the Receiver present an operational plan for the Wells and Eco Lands by February 28, 2022, complete the abandonment of the Wells (as well as other licensed assets) within 90 days, and provide the AER with a reclamation plan for the Wells and other licensed assets within 90 days of the granting of the AER Order. (The February 28, 2022 and 90 day deadlines were subsequently extended by the AER.) A copy of the AER Order is attached as **Appendix "A"**.
7. The AER also issued a notice restricting Eco's license eligibility under *Directive 067* (the "**License Restriction Notice**"). A copy of the License Restriction Notice is attached as **Appendix "B"**.
8. In response to and in compliance with the AER Order, on February 22, 2022 the Receiver, with the assistance of Sproule, provided the AER with the RCAM confirmation letter addressing the RCAM requirements of the AER Order (the "**RCAM Confirmation Letter**"). A copy of the RCAM Confirmation Letter is attached as **Appendix "C"**.
9. In accordance with the requirements of the AER Order, the 10-17 Well was shut in. The 11-17 Well was shut in by the Companies in June 2021 and remains shut in.
10. The AER Order required the Receiver, if it intended to operate all or any part of the licenses of Eco, to provide the AER with an operational plan by February 28, 2022 demonstrating measures taken by the Receiver to ensure that operations could be operated safely and in compliance with all regulations (the "**Operational Plan**").
11. In accordance with the requirements of the AER Order, operations with respect to the 10-17 Well (which was being utilized by Celanese at the date of the receivership pursuant to an agreement with Eco) have been suspended pending submission of an Operational Plan acceptable to the AER. In addition, on February 24, 2022 Sproule conducted a packer test on the 10-17 Well in accordance with the AER's regulatory requirements. The 10-17 Well failed the packer test, which resulted in the immediate shut-in of the 10-17 Well. The Receiver and Sproule have been working with the AER since this time to put together a workover program to repair the 10-17 Well and an Operational Plan to bring the 10-17 Well back into operation. The AER advised that it would revisit the idea of allowing the 10-

- 17 Well to operate once further repair work, testing and information had been supplied by the Receiver that confirms that all regulatory requirements had been met.
12. Operations with respect to the 11-17 Well had ceased prior to the granting of the Receivership Order, and the 11-17 Well has been shut in since June 2021. Based on testing conducted on the 11-17 Well by Sproule it remains unclear if the 11-17 Well can be economically repaired and returned to commercial operation. Based on discussions with Sproule and the AER the Receiver intends to hold the 11-17 Well in suspension and make a decision on whether the 11-17 Well should be abandoned once the necessary work and regulatory approvals have been completed with respect to the 10-17 Well.
  13. The AER required submission of the Operational Plan by February 28, 2022. The AER subsequently granted an extension to the deadline for submission to March 7, 2022 at which time the Operational Plan was submitted by the Receiver. A copy of the Operational Plan is attached as **Appendix "D"**.
  14. As set out in detail in the First Report, the Receiver has continued to work with Sproule to undertake various tests on each of the Wells in order to determine what repair work is required on each of the Wells, the steps necessary to keep the licenses in good standing and restart operations. As part of the assessment, Sproule prepared a "decision-tree" form of report which set out various options for repair and viability of each of the 11-17 Well and the 10-17 Well which included details on the estimated range of costs for each (hereinafter referred to as the "**Sproule Assessment**"). A redacted copy of the Sproule Assessment, that sets out the various options with respect to each of the Wells is attached as **Appendix "E"**. An unredacted copy of the Sproule Assessment, which provides details on the specific costs is attached as Appendix "A" to the Confidential Supplement to the Receiver's Second Report (the '**Confidential Supplement**').
  15. The Receiver believes that the information which is redacted from the Sproule Assessment and the Sproule Scenario Analysis (as defined below) is commercially sensitive and confidential in nature, and that publication of this redacted information could negatively affect any future sales process for the Lands that the Receiver may need to undertake. Unredacted copies of both the Sproule Assessment and the Sproule Scenario Analysis are attached to the Confidential Supplement. Accordingly, the Receiver is recommending that the Confidential Supplement be sealed on the Court file until 30 days following the sale of all of the Property or until further Order of this Court.
  16. At the outset of the Receivership, Sproule and the Receiver thought that the 11-17 Well (which was previously being operated by AEWM as recently as 2020) would be the most logical Well on which to focus efforts with respect to restarting operations on the Lands. Based on investigatory steps undertaken by Sproule, Sproule prepared an assessment based on the various scenarios available (the "**Sproule Scenario Analysis**") which led Sproule and the Receiver to conduct that:



- a. the 11-17 Well has compromised injectivity and was therefore unlikely to generate enough revenue to cover the costs of repair, and therefore unlikely to be economically and commercially viable at this time ("Scenario 1"); and,
  - b. undertaking facility upgrades to the 11-17 facilities and repairs to the 10-17 Well could allow the disposal of waste through the existing 10-17 Well and was a more economically and commercially viable option ("Scenario 2").
17. A redacted copy of the Sproule Scenario Analysis is attached as **Appendix "F"**. The unredacted copy, which sets out the specific estimated economic viability of each of the various scenarios is attached as Appendix B to the Confidential Supplement.
18. Based on the information provided in the Sproule Scenario Analysis, the Receiver is of the opinion that Scenario 2 is the most economically and commercially viable option for restarting operations on the Lands. The Receiver believes that restarting disposal operations on the 10-17 Well is the best alternative for maximizing the value of the Lands and the Property for the benefit of all stakeholders.
19. The Receiver has consulted with Romspen (as the senior secured lender and the lender under the Receiver's Certificates) on the options set in the Sproule Scenario Analysis and the Sproule Assessment, and Romspen is supportive of the Receiver proceeding with Scenario 2 which includes repairs and upgrades to the 10-17 Well and the 11-17 Well facilities with a view to restarting operations to and generate future income as a Class 1A disposal well.

#### **FUNDING OF THE RECEIVERSHIP**

20. In accordance with the Court order granted on February 8, 2022 (the "**February 8 Order**") in the within action, the Receiver's borrowing limit was increased from \$200,000 to \$700,000. To date, the Receiver has borrowed the full amount authorized by the February 8 Order.
21. As set out in the Sproule Assessment, the anticipated costs to further explore, repair and modify the 10-17 Well to bring the Lands back into operation as a waste disposal facility are significant, but these costs are required to be expended in order to restart operations of the Companies. The Receiver believes that such steps should maximize the value of the Property for all stakeholders.
22. The Receiver is therefore seeking to increase the borrowing power afforded under the Receivership Order from \$700,000 to \$2,000,000 so that adequate funding will be available to proceed with Scenario 2 such that the required work can be completed on the 10-17 Well and operations can be restarted with the consent of the AER in the coming months. Given the lack of revenue and otherwise limited



cash resources in the Companies, the increase in borrowing power is also necessary to ensure the proper administration of the Receivership and payment of all other associated costs.

23. Romspen is in support of the Receiver's request to increase the borrowing limit as set out in this application.

**INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

24. Attached as **Appendix "G"** is a copy of the Receiver's Interim Statement of Receipts and Disbursements to May 25, 2022.

**CONCLUSION**

25. Based upon the foregoing the Receiver respectfully seeks the Court's approval for the following:
- a. Approval of the reported actions of the Receiver in administering the receivership proceedings;
  - b. Sealing of the Confidential Supplement until 30 days following the closing of the sale of all of the Property or upon a further order of the Court; and,
  - i) Increasing the Receiver's borrowing powers under the Receivership Order from \$700,000 to \$2,000,000.

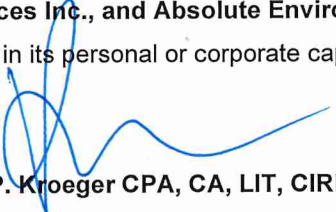
All of which is respectfully submitted this 30<sup>th</sup> day of May 2022.

**MNP Ltd.**

In its sole capacity as Receiver of

**Lot 11 GP Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc., Absolute Energy Resources Inc., and Absolute Environmental Waste Management Inc.**

And not in its personal or corporate capacity



**Victor P. Kroeger CPA, CA, LIT, CIRP, CFE**  
**Senior Vice President**

# APPENDIX “A”

<p>MADE at the City of Calgary, in the Province of Alberta, on</p> <p>February 14, 2022</p>	<p>ALBERTA ENERGY REGULATOR</p>
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The Alberta Energy Regulator (AER) hereby orders under sections:

- 22, 26.2 and 27 of the *Oil and Gas Conservation Act (OGCA)*
- 22.1 of the *Pipeline Act*
- 140 and 241 of the *Environmental Protection and Enhancement Act (EPEA)*

**Eco-Industrial Business Park Inc.**

**A519** (“Eco-Industrial” or “the Licensee”)

c/o MNP Ltd.

1500, 640 – 5<sup>th</sup> Ave SW

Calgary, AB T2P 3G4

WHEREAS Eco-Industrial is the holder of the Alberta Energy Regulator (AER) well, facility and pipeline licences and/or approvals listed in Appendix 1 (collectively, the “Licences”);

WHEREAS there is physical infrastructure associated with the Licences, including wells, well sites, facilities, facility sites, and pipelines (the “Sites”);

WHEREAS Eco-Industrial was licensed or otherwise authorized by the AER to operate the Licences on the land as legally described in Appendix (the “Lands”);

WHEREAS the Licensee is an “operator” as defined in section 134(b) of *EPEA*;

WHEREAS the Lands are “specified land” as defined in section 134(f) of *EPEA* and section 1(t) of the *Conservation and Reclamation Regulation*;

WHEREAS section 137 of *EPEA* states that an operator must conserve and reclaim specified land, and unless exempted by the regulations, obtain a reclamation certificate in respect of the conservation and reclamation;

WHEREAS reclamation certificates have not been issued for the Lands under section 138 of *EPEA*;

WHEREAS the current estimated cost to abandon and reclaim the Lands is \$316,317.50 as determined by *Directive 011: Licensee Liability Rating (LLR) Program: Updated Industry Parameters and Liability Costs*;

WHEREAS Eco-Industrial has failed to pay \$393.42 for the 2021 AER Administration Levy and the associated 20% penalty of \$78.68, which were due on October 25 and November 23, 2021, respectively. This now constitutes a debt owing to the AER in the amount of \$472.10 (the “2021 AER Administration Levy Debt”);

WHEREAS as of the date of this Order, Eco-Industrial has failed to satisfy the 2021 AER Administration Levy Debt;

WHEREAS isolation packer tests are required to be performed on the Licences and reported within the same calendar year as per *Directive 087: Well Integrity Management (“Directive 087”)*;

WHEREAS the Licensee failed submit isolation packer test results for 2021 as per *Directive 087*;

WHEREAS the Licensee is the holder of Waste Management Approval 154 (WM 154) issued by the AER for an oilfield waste management facility located at 11-17-053-23W4M;

WHEREAS on April 6, 2021, the AER issued a Notice of Noncompliance to the Licensee for failure to update site-specific liability assessment (SSLA) cost estimates pursuant to section 9 of *Directive 001: Requirements for Site-Specific Liability Assessments in Support of the AER’s Liability Management Programs*. As of the date of this order the Licensee has failed to meet the requirements of the SSLA Notice of Noncompliance;

WHEREAS the Licences include Class 1a disposal wells which are identified as ‘Type 3’ High-Risk wells pursuant to section 3.3 of *Directive 013: Suspension Requirements for Wells*;

WHEREAS between August 24, 2020 and October 22, 2021, the Licensee was assessed \$12,500.00 in volumetric reporting deficiency fees (the “Noncompliance Fees”) pursuant to section 1.2.2 of *Directive 007: Volumetric and Infrastructure Requirements*. As of the date of this order the Licensee has failed to satisfy the Noncompliance Fees;

WHEREAS an Undergone Closure Approval has not been issued for WM 154 pursuant to *Directive 058 Addendum 2015-01-14: Oilfield Waste Management Facility Approvals – Notification and Amendment Procedures (“Directive 058 Addendum”)*;

WHEREAS on November 4, 2021, Eco-Industrial entered into receivership proceedings and MNP Ltd. was appointed as Receiver (the “Receiver”), pursuant to the *Business Insolvency Act*, *Judicature Act*, and *Business Corporations Act*;

WHEREAS a licensee is required to maintain and provide to the AER upon request a copy of the current corporate-level Emergency Response Plan as well as site-specific Emergency Response Plan(s) under *Directive 071: Emergency Preparedness and Response Requirements for the Petroleum Industry*;



WHEREAS on December 13, 2021, the Receiver submitted a letter confirming the November 4, 2021 Receivership Order (the “Receivership Order”), and advised the AER that the Receiver will not be completing a revised Directive 067 Schedule 1 application on behalf of the Licensee;

WHEREAS on January 27, 2022, the legal counsel for Celanese Canada ULC (“Celanese”) issued a letter to the Receiver highlighting Celanese’s operation of select Licences in order to address ongoing contamination at the Sites, pursuant to Alberta Environment and Parks (“AEP”) Environmental Protection Order No. EPO-2020-02-NR (“EPO-2020-02-NR”);

WHEREAS Celanese is not the licensee of the Licences;

WHEREAS EPO-2020-02-NR issued by AEP grants Celanese access to the Sites but does not include operation of the Licences;

WHEREAS Kaitlin Szacki, Manager, Orphaning, Insolvency & Legacy, (the “Manager”) has the authority to issue orders as delegated on January 10, 2022, pursuant to the *OGCA*, *Pipeline Act* and *EPEA*;

WHEREAS the Manager is of the opinion that it is necessary to issue an order to facilitate the provision of reasonable care and measures, and the abandonment and reclamation of the approved/licensed assets, as this Licensee has entered into a formal insolvency process and is therefore unable to meet all obligations as they become due and payable;

WHEREAS the Manager is of the opinion that the performance of the work described in this order is necessary to conserve and reclaim the Lands;

WHEREAS under section 101 of the *OGCA*, section 28 of the *Pipeline Act*, and section 250 of *EPEA*, the Licensee, and its agents, are entitled to have access to and may enter onto the land and any structures on the land for the purposes of providing reasonable care and measures to prevent impairment or damage, or carrying out abandonment and reclamation directions from the AER, as contemplated in this order;

THEREFORE, I, Kaitlin Szacki, Manager, Orphaning, Insolvency & Legacy, under sections 26.2 and 27 of the *OGCA*, section 22.1 of the *Pipeline Act*, and sections 140 and 241 of *EPEA*, do hereby order the following:

**Reasonable Care and Measures:**

1. The Licensee shall take action and confirm in writing, to the satisfaction of the AER, that reasonable care and measures are being provided over the Lands to prevent impairment or damage **on or before February 21, 2022** (the “RCAM Confirmation”).
2. The RCAM Confirmation shall include, at a minimum:
  - a. Confirmation that the 24-hour emergency number will remain active and operational for the duration of the Receivership Order.
  - b. Provide proof that reasonable and appropriate insurance coverage for the Sites is being maintained.
  - c. Confirmation that all Licences are suspended/shut-in pursuant to AER rules and regulations, including:
    - i. All wells and related infrastructure listed in Table 1 of Appendix 1 must be shut-in, sealed, locked and chained. Additionally, all wells must be packer tested with

the results submitted to the designated information submission system as per *Directive 087*.

- ii. All facilities and related infrastructure listed in Table 2 of Appendix 1 must be shut-in, sealed, locked and chained;
  - iii. Any containment devices or equipment including, but not limited to, tanks, vessels, pipelines, lease piping, sumps, drains, tubs, containers, pits, or containment rings on any of the Sites must be depressurized, emptied (with all fluids removed from the Sites and disposed of in accordance with the AER's rules and regulations) and rendered safe in a manner acceptable to the AER.
  - d. Confirmation that the Licensee shall inspect the Sites annually. The Licensee must provide evidence of inspection, upon request by the AER.
3. Should the Receiver, or any third party to the Licensee, seek to operate any of the licences/approvals identified in Appendix 1, a proposed operational plan must be submitted to the satisfaction of the AER. The proposed operational plan must demonstrate measures taken by the Receiver to ensure the Sites can be operated safely and in accordance with all AER rules and regulations. The Receiver has until **February 28, 2022** to submit a proposed operational plan for any of the Licences.
4. The Licensee shall continue to provide reasonable care and measures over the Lands and Sites until the earlier of:
- a. The Licences and Sites receive AER-approval to be transferred to a new, responsible party(ies), or
  - b. In the case of well(s):
    - i. Reclamation Certificates have been issued pursuant to section 140 of *EPEA*
  - c. In the case of the facility:
    - i. WM 154 approval amended to reflect all closure requirements have been met pursuant to *Directive 058 Addendum*.
5. Should any events occur that result in the impairment or damage of the Sites, the Licensee shall immediately report these events to the AER in accordance with the AER's rules and regulations.
6. Any changes to the RCAM Confirmation must be made in writing to the AER.

#### **Abandonment:**

7. By no later than **90 days from the date of this order** the Licensee shall:
  - a. complete the abandonment of the Licences listed in Table 1 of Appendix 1, and,
  - b. submit an application for an amendment to Approval No. WM 154 to reflect the current status of 'undergoing closure' as per section 3.2.4 of *Directive 058 Addendum*, or,
  - c. submit and receive AER transfer application approval to transfer all Licences listed in Appendix 1 to a person(s) eligible to hold AER licences/approvals.
8. Notify the AER file lead via email when the abandonment is completed including confirmation of surface abandonment and removal of cement pads, debris, and produced liquids associated with the Licences.

#### **Reclamation:**

9. By no later than **90 days from the date of this order**, the Licensee shall:
  - a. submit a plan to the AER for the Director's approval (the "Reclamation Plan") for the conservation and reclamation of all Sites as listed in Table 1 and Table 2 of Appendix 1, or
  - b. submit and receive AER transfer application approval to transfer all Licences listed in

Appendix 1 to a person(s) eligible to hold AER licences.

10. The Reclamation Plan shall include the actions the Licensee will take to reclaim the Sites and obtain reclamation certificates as required by sections 137 of *EPEA*. The Reclamation Plan shall include:
  - a. A list of all proposed steps that will be considered or taken in obtaining a reclamation certificate (examples: Environmental Site Assessments, Detailed Site Assessments, applications to the AER).
  - b. A detailed schedule for implementation of each step in the Reclamation Plan.
11. The AER will advise the Licensee if the Reclamation Plan is complete. The Licensee will be required submit any outstanding elements the AER, or provide additional information, until the AER advises that the Reclamation Plan is complete.
12. The Licensee shall:
  - a. In the case of Table 1 of Appendix 1, apply for a reclamation certificate for each site once that site is fully reclaimed in accordance with section 137(2) of *EPEA*.
  - b. In the case of Table 2 of Appendix 1, amend the approval to identify that all closure requirements have been met as per *Directive 058 Addendum*

### **Submission of Plans and Records**

13. All Plans, Confirmations shall be submitted to Orphaning, Insolvency, Legacy team at [Orphaninginsolvency@ aer.ca](mailto:Orphaninginsolvency@ aer.ca).
14. The AER may periodically ask the Licensee to provide written progress updates on their provision of reasonable care and measures, abandonment, or reclamation.
15. All submissions of work completed shall be submitted in the format and/or appropriate system, as required by AER regulations, with respect to provision of reasonable care and measures, or the completion of abandonment or reclamation.
16. Where a deadline has been specified in this order, the AER may authorize in writing a different deadline or reporting frequency as applicable.

Dated at the of City of Calgary in the Province of Alberta, the 14<sup>th</sup> day of February 2022.

Kaitlin Szacki



Manager, Orphaning, Insolvency & Legacy  
Alberta Energy Regulator

In complying with this order, the party or parties named must obtain all approvals necessary, notwithstanding the above requirements.

This order in no way precludes any enforcement actions being taken regarding this matter under the *OGCA*, *Pipeline Act*, *EPEA* or any other provincial or federal legislation, or by any other regulator with jurisdiction.

All enforcement actions issued by the AER may be subject to a follow-up review to confirm previous commitments have been completed and measures have been implemented, to ensure similar noncompliance's are prevented in the future. The AER may request any information that demonstrates steps have been taken to prevent repeat noncompliance's from occurring.

Under the *Responsible Energy Development Act*, an eligible person may appeal decisions that meet certain criteria. Eligible persons and appealable decisions are defined in section 36 of the *Responsible Energy Development Act* and section 3.1 of the *Responsible Energy Development Act General Regulation*. If you wish to file a request for regulatory appeal, you must submit your request according to the AER's requirements. You can find filing requirements and forms on the AER website, [www.aer.ca](http://www.aer.ca), under Regulating Development: Regulatory Appeal Process.



# Appendix 1

**Table 1: Well Licences to be Abandoned and Reclaimed**

Licence Number	Status	UWI	Working Interest Participant(s)	Percent Interest
W0036962	Issued	00/11-17-053-23W4/0	Eco-Industrial Business Park Inc.	100.00%
W0028527	Issued	00/10-17-053-23W4/0	Eco-Industrial Business Park Inc.	100.00%

**Table 2: Facility Licence to be Abandoned and Reclaimed**

Waste Management (WM) Approval No. / Facility Licence	Status	Surface Location	Approval Holder
WM 154	Operating	11-17-053-23W4	Eco-Industrial Business Park Inc.

**Table 3: Pipeline Licence for Reasonable Care and Measures**

Licence Number	Segment/ Installation	Status	From Location	To Location
P32068	S-1	Abandoned	10-17-053-23W4	02-17-053-23W4

# APPENDIX “B”

February 14, 2022

Gary Vandepol  
**Eco-Industrial Business Park Inc. (A519)**  
c/o MNP Ltd.  
1500, 640 – 5<sup>th</sup> Ave SW  
Calgary, AB T2P 3G4

Calgary Head Office  
Suite 1000, 250 – 5 Street SW  
Calgary, Alberta T2P 0R4  
Canada

[www.aer.ca](http://www.aer.ca)

Email: [kduemler@symmetryinc.com](mailto:kduemler@symmetryinc.com)

### **Restriction of Licence Eligibility under *Directive 067* for Eco-Industrial Business Park Inc. (A519)**

The Alberta Energy Regulator (AER) has received correspondence from MNP Ltd. to indicate that Eco-Industrial Business Park Inc. (Eco-Industrial) has entered receivership proceedings effective November 4, 2021.

The AER understands that the process mentioned above results in factors that fall under s. 4.5 of *Directive 067: Unreasonable Risk (Directive 067)*:

- being or having been subject to or initiating insolvency proceedings (which includes bankruptcy proceedings, receivership, notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, proceedings under *Companies Creditors Arrangement Act*); and
- involvement of the applicant, licensee, or approval holder's directors, officers, or shareholders in entities that have initiated or are or have been subject to insolvency proceedings.

Pursuant to s. 1.300 of the *Oil and Gas Conservation Rules (OGCR)* and s. 6 of *Directive 067*, the AER may revoke or restrict licence eligibility in a number of circumstances.

#### *"6 Restriction of Licence Eligibility*

*There are three main circumstances in which the AER may revoke or restrict licence eligibility:*

- 1) failure to provide complete and accurate information and ensure that information remains complete and accurate by advising the AER of material changes within 30 days;*
- 2) after consideration of the factors in section 4, a finding by the AER that, as a result of a material change or compliance history, the licensee poses an unreasonable risk; or*
- 3) the licensee fails to acquire or hold licences or approvals within one year following granting of licence eligibility."*

The AER has assessed that Eco-Industrial poses an unreasonable risk. As a result of the assessment, the AER hereby restricts the license eligibility status of Eco-Industrial from General to Limited, effective February 14, 2022, as follows:

- 1) Eco-Industrial is prohibited from acquiring any new/additional licences, either through transfers or applications beyond its current inventory,
- 2) An exemption to the above restrictions will apply to applications for activities which are required by Eco-Industrial in an emergency response situation, or as deemed necessary by the AER,
- 3) There is no change to:
  - a. Eco-Industrial's access to the DDS system,

- b. Eco-Industrial's environmental and operational responsibilities related to its current licence inventory, and
- c. Eco-Industrial's requirements under any Orders currently issued or that will be issued in the future.

Should Eco-Industrial wish to seek general eligibility in the future, it is welcome to reapply for General Eligibility and be prepared to demonstrate that it does not pose an unreasonable risk by following the steps in *Directive 067*. It will then be up to the discretion of the AER to determine if Eco-Industrial has provided sufficient information and supporting materials to make this change. For more information on reinstating General Liability please contact [Directive067@aer.ca](mailto:Directive067@aer.ca).

Under the *Responsible Energy Development Act* (REDA) an eligible person may file a request for a regulatory appeal on an appealable decision. Eligible persons and appealable decisions are defined in section 36 of REDA and section 3.1 of the *Responsible Energy Development Act General Regulation*. If you wish to file a request for regulatory appeal, you must submit your request in the form and manner and within the timeframe required by the AER. You can find filing requirements and forms on the AER website, <http://www.aer.ca/applications-and-notice/appeals>.

In order to assist you through the process, Matt Coulas at [Matthew.Coulas@aer.ca](mailto:Matthew.Coulas@aer.ca) will be your main contact. Please reach out if you have any questions.

Sincerely,



Kaitlin Szacki  
Manager<sup>1</sup>, Orphaning, Insolvency & Legacy  
Alberta Energy Regulator

cc: [Directive067@aer.ca](mailto:Directive067@aer.ca), Eligibility, Transfers & Security, AER  
[Victor.Kroeger@mnp.ca](mailto:Victor.Kroeger@mnp.ca), MNP Ltd.  
[Karen.Aylward@mnp.ca](mailto:Karen.Aylward@mnp.ca), MNP Ltd.

<sup>1</sup>Director-level authorities were delegated to the Manager on January 10, 2022

# APPENDIX “C”

February 22, 2022

Delivered by e-mail: [orphaninginsolvency@aer.ca](mailto:orphaninginsolvency@aer.ca)  
[matthew.coulas@aer.ca](mailto:matthew.coulas@aer.ca)

Alberta Energy Regulator  
1000, 250 – 5<sup>th</sup> Ave. SW  
Calgary, Alberta T2P 0R4

Attention: Matthew Coulas

Dear Sir:

**Re: AER Order 2022-011**

---

MNP Ltd., in its capacity as Court Appointed Receiver of Eco-Industrial Business Park Inc. (“MNP” or “Receiver”) is providing this reasonable care and measures (“RCAM”) confirmation letter in response to AER Order 2022-011 (“Order”) dated February 14, 2022. The Order required our confirmation letter to be submitted by February 21, 2022, however acknowledging that February 21, 2022 is a provincially recognized holiday in Alberta, the AER, by e-mail dated February 16, 2022 extended the deadline for delivery of the confirmation letter to February 22, 2022.

As indicated in the recitals of the Order, MNP was appointed Receiver of Eco-Industrial Business Park Inc. (“Eco-Industrial”) on November 4, 2021. For clarity, MNP was appointed the Receiver of Lot 11 GP Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc., Absolute Energy Resources Inc., and Absolute Environmental Waste Management Inc. (collectively the “Absolute Group”). The Receiver engaged Sproule Asset Management Limited (“SAML”) pursuant to a Professional Services Agreement dated November 19, 2021, to conduct a due diligence review of the Absolute Group industrial waste site and related disposal assets (collectively the “Assets”). The scope of the project included site visits, a review of the lands associated with the Assets, a high-level review of environmental obligations, an analysis of the operational/maintenance standards of the Absolute Group disposal operation, and an assessment of the requirements for reactivation of the disposal facilities for commercial purposes. In addition, the Receiver requested that any safety issues identified during the due diligence phase be brought to its attention immediately with recommendations from SAML for mitigation. SAML provided a final report (“Report”) dated January 21, 2022, a copy of which was provided to the AER on January 23, 2022. The Report contained a description of a number of activities that SAML undertook on behalf of the Receiver to address many of issues identified in the Order. Acknowledging that the AER could not rely on the Report as a third party, the Receiver forthwith herein confirms the activities described in the Report which are pertinent to the Order.

With respect to reasonable care and measures undertaken, the Receiver confirms the following.

1. All containment devices, including tanks, flowlines, and vessels (assets related to facility license WM 154) on the 11-17 disposal well site were previously thawed, drained, and contents were appropriately disposed;

2. Wellhead valves for wells 10-17 and 11-17 were greased and function-checked;
3. All valves on the 11-17 wellhead and associated tanks were chained and locked, with bullplugs inserted in any open piping (Appendix 1);
4. The 10-17 disposal well has been shut-in, chained and locked (Appendix 1); Eco-Industrial does not own or have the right to depressurize, drain and dispose of fluids from piping and tanks on the 10-17 well site. These assets are owned by Celanese Canada Inc. ("Celanese") Celanese has VRL Projects on-site managing and operating these assets.
5. Security on the site was increased by changing locks on the buildings, adding locks on gates, welding manhole covers shut and placing barriers at the secondary entrance (Appendix 1);
6. An Emergency Action Plan (Appendix 2) was implemented including a 24-hour Call Centre telephone number (1-877-380-3163) (the "Emergency Response Number"), and signage with the Emergency Response Number (Appendix 1). The Emergency Response Number will remain active for the duration of the Receivership;
7. Surface Casing Vent Flow ("SCVF") tests were conducted and passed for wells 10-17 and 11-17 (daily reports are included in Appendix 3);
8. The 10-17 and 11-17 well sites are inspected at a minimum on a weekly basis;
9. Evidence of insurance coverage included as Appendix 4:
  - a. Certificate of insurance from AON evidencing CGL and property insurance;
10. Certificate of insurance issued by BFL Canada evidencing Operator's Extra Expense will be delivered to the AER on February 23, 2022; and
11. Packer isolation tests for the 10-17 and 11-17 wells are scheduled for February 24, 2022, subject to availability of equipment.

Further to the RCAM activities described above, the Receiver plans to:

1. Submit an operational plan on or before February 28, 2022; and
2. Complete an injectivity test for the 11-17 well concurrent with the packer isolation test for the 11-17 well on February 24, 2022 (this will assist in formulating the operational plan

If you have any further questions about the RCAM activities undertaken, please contact the undersigned at 403-298-8479

**MNP Ltd., in its capacity as Court Appointed Receiver of Lot 11 GP Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc., Absolute Energy Resources Inc., and Absolute Environmental Waste Management Inc., and not in its personal or corporate capacity.**

Per:   
Name: Victor P. Kroeger  
Title: Senior Vice President



# Appendix 1

## Site Pictures



11-17-53-23 W4M Securement of Wellhead c/w Sign & Emergency Number



11-17-53-23 W4 Tanks 1 & 2 Cleaned Out and Secured





10-17-53-23 W4M Securement of Wellhead c/w Sign & Emergency Number





2 of the 9 Manholes Welded Up to the Electrophone Corridors



West Gate Secured with the Jersey Barriers

## Appendix 2

# ECOINDUSTRIAL

## EMERGENCY ACTION PLAN

2021-12-01

EMERGENCY ACTION PLAN  
FOR

FACILITY NAME:  
ECO INDUSTRIAL

FACILITY ADDRESS:  
12225 – 17 ST NW  
EDMONTON, AB  
T6S1A2

**EMERGENCY NUMBER:**  
**1-877-380-3163**

LSD:  
NW<sup>1/4</sup> – 17 – 53 – 23 w4m

DATE PREPARED:  
December 1, 2021

PREPARED BY:  
Rob Tenney  
Sproule Asset Management

## EMERGENCY PERSONNEL NAMES & PHONE NUMBERS

Designated responsible official for Eco Industrial:

Perry Zich 1-587-700-8997

Dallas Dundas 1-403-820-2348

Emergency Action Coordinator:

Rob Tenney 1-780-517-2722

## EVACUATION & EMERGENCY RESPONSE ROUTES

- Evacuation routes will be posted at work area.
  - Emergency Exits from the site – There are several ways to evacuate from the site – North through the field; South through the ECO Park; and West the way you come into the site.
  - Primary & Secondary Evacuation routes from the site – see above
  - Location of Emergency Equipment – On site
  - Muster Points – East gate to the park
- Site personnel must know at least two evacuation routes from site

## DIRECTIONS TO SITE

From the Yellowhead Highway #16 East of Edmonton that intersects Highway #216 Anthony Henday Drive, travel north on #216 and take the off ramp to Aurum Road.

At the lights stay left and turn onto 130 Avenue NW until you come to Meridian Street NW.

Turn left onto Meridian Street and follow it around until you reach the second right turn at an open gate. Sign is posted at gate.

Follow the road west through the ECO Industrial Park until fence, then turn right and follow road into location. Signs are posted along route.

Address is: 12225 – 17<sup>th</sup> Street

LSD: NW<sup>1/4</sup> – 17-53-23 W4M





## EMERGENCY PHONE NUMBERS

FIRE & RESCUE:		911
AMBULANCE & PARAMEDICS:		911
EDMONTON POLICE SERVICES:		911
SITE MANAGER:	Perry Zich	1-587-700-8997
	Dallas Dundas	1-403-820-2348
Emergency Coordinator:	Rob Tenney	1-780-517-2722

## UTILITY COMPANY EMERGENCY CONTACTS

Electrical:	EPCOR	1-780-412-6800
Water & Sewer:	EPCOR	1-780-412-6800
Gas:	EPCOR	1-780-412-6800
Telephone:	TELUS	1-855-255-8828



## NEIGHBOUR COMPANIES WITHIN ECO INDUSTRIAL PARK

Capital Power	1-780-392-5100
Gilead Alberta	1-780-701-6400
Keyera Partnership	1-780-414-7418
Owens Corning	1-780-472-6644
Imperial Oil	1-800-567-3776
Pembina	1-800-360-4706
ATCO	1-800-511-3447
Plains Marketing	1-780-992-2700

## EMERGENCY REPORTING & EVACUATION PROCEDURES

Types of incidents to be reported by site personnel are:

- Medical
- Fire
- Extended Power Loss
- Spill (Chemical or Hydrocarbon)
- Bomb Threats / Terrorist Threat
- Severe Weather / Natural Disaster

## MEDICAL EMERGENCY

- Call medical emergency phone number (check applicable):
  - Paramedics
  - Ambulance
  - Fire Department
  - Other

Provide the following information:

- a. Nature of medical emergency,
  - b. Location of the emergency (address, building, room number),
  - c. Your name and phone number from which you are calling.
- Do not move victim unless absolutely necessary.
  - Call the following personnel trained in CPR and First Aid to provide the required assistance prior to the arrival of the professional medical help:

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

- If personnel trained in First Aid are not available, as a minimum, attempt to provide the following assistance:
  1. Stop the bleeding with firm pressure on the wounds (note: avoid contact with blood or other bodily fluids).
  2. Clear the air passages using the Heimlich Maneuver in case of choking.
- In case of rendering assistance to personnel exposed to hazardous materials, consult the Material Safety Data Sheet (MSDS) and wear the appropriate personal protective equipment. Attempt first aid ONLY if trained and qualified.

## FIRE EMERGENCY

When fire is discovered:

- Activate the nearest fire alarm (if installed)
- Notify the local Fire Department by calling 911.
- If the fire alarm is not available, notify the site personnel about the fire emergency by the following means (check applicable):
  - Voice Communication
  - Phone
  - Radio
  - Other (specify)

Fight the fire ONLY if:

- The Fire Department has been notified.
- The fire is small and is not spreading to other areas.
- Escaping the area is possible by backing up to the nearest exit.
- The fire extinguisher is in working condition and personnel are trained to use it.

Upon being notified about the fire emergency, occupants must:

- Leave the site / area using the designated escape routes.
- Assemble in the designated muster point (specify location):
- Remain at the Muster Point until the competent authority (Designated Official or designee) announces that it is safe to re-enter.

Designated Official, Emergency Coordinator or supervisors must (underline one):

- ESD utilities and equipment unless doing so jeopardizes his/her safety.
- Coordinate an orderly evacuation of personnel.
- Perform an accurate head count of personnel reported to the designated area.
- Determine a rescue method to locate missing personnel.
- Provide the Fire Department personnel with the necessary information about the facility.
- Perform assessment and coordinate weather forecast office emergency closing procedures

Assistants to Physically Challenged should:

- Assist all physically challenged employees in emergency evacuation.

## EXTENDED POWER LOSS

In the event of extended power loss to the facility certain precautionary measure should be taken depending on the geographical location and environment of the facility:

- Unnecessary electrical equipment and appliances should be turned off if power restoration would surge causing damage to electronics and effecting sensitive equipment.
- Facilities with freezing temperatures should turn off and drain the following lines in the event of a long-term power loss.
  - o Standpipes
  - o Potable water lines
  - o Disposal Lines
- Add propylene-glycol to drains to prevent traps from freezing
- Equipment that contains fluids that may freeze due to long term exposure to freezing temperatures should be moved to heated areas, drained of liquids, or provided with auxiliary heat sources.

### Upon Restoration of heat and power:

- Electronic equipment should be brought up to ambient temperatures before energizing to prevent condensation from forming on circuitry.
- Fire, potable water and disposal lines should be checked for leaks from freeze damage after the heat has been restored to the facility and water turned back on.

## CHEMICAL / HYDROCARBON SPILL

The following are the locations of:

Spill Containment and Security Equipment: \_\_\_\_\_

Personal Protective Equipment (PPE): \_\_\_\_\_

MSDS: \_\_\_\_\_

When a Large Chemical/Hydrocarbon Spill has occurred:

- Immediately notify the Supervisor and Emergency Coordinator.
- Contain the spill with available equipment (e.g., pads, booms, absorbent, powder, etc.).
- Secure the area and alert other site personnel.
- Do not attempt to clean the spill unless trained to do so.
- Attend to injured personnel and call the medical emergency number, if required.
- Call a local spill cleanup company or the Fire Department (if arrangement has been made) to perform a large chemical / hydrocarbon spill cleanup.

Name of Spill Cleanup Company: Clean Harbours Industrial Division

Phone Number: Aaron – 825-993-7145

- Evacuate building as necessary

When a Small Chemical/Hydrocarbon Spill has occurred:

- Notify the Emergency Coordinator and/or supervisor (select one).
- If toxic fumes are present, secure the area (with caution tapes or cones) to prevent other personnel from entering.
- Deal with the spill in accordance with the instructions described in the MSDS.
- Small spills must be handled in a safe manner, while wearing the proper PPE.
- Review the general spill cleanup procedures.

## TELEPHONE BOMB THREAT CHECKLIST

INSTRUCTIONS: BE CALM, BE COURTEOUS. LISTEN. DO NOT INTERRUPT THE CALLER.

YOUR NAME: \_\_\_\_\_ TIME: \_\_\_\_\_ DATE: \_\_\_\_\_

CALLER'S IDENTITY SEX: Male \_\_\_\_\_ Female \_\_\_\_\_ Adult \_\_\_\_\_ Juvenile \_\_\_\_\_

APPROXIMATE AGE: \_\_\_\_\_

ORIGIN OF CALL: Local \_\_\_\_\_ Long Distance \_\_\_\_\_ Telephone Booth \_\_\_\_\_

VOICE CHARACTERISTICS		SPEECH		LANGUAGE	
Loud	Soft	Fast	Slow	Excellent	Good
High Pitch	Deep	Distinct	Distorted	Fair	Poor
Raspy	Pleasant	Stutter	Nasal	Foul	
Intoxicated	Other	Slurred		Other	
Other		Other			

ACCENT		MANNER		BACKGROUND NOISES	
Local	Not Local	Calm	Angry	Factory	Train
Foreign	Region	Rational	Irrational	Machines	Animals
Race		Coherent	Incoherent	Music	Quiet
Other		Deliberate	Emotional	Office	Voices
		Righteous	Laughing	Street	Airplanes
		Other		Traffic	Party
				Other	

## BOMB FACTS

PRETEND DIFFICULTY HEARING - KEEP CALLER TALKING - IF CALLER SEEMS

AGREEABLE TO FURTHER CONVERSATION, ASK QUESTIONS LIKE:

When will it go off? Certain Hour \_\_\_\_\_ Time Remaining \_\_\_\_\_

Where is it located? Building \_\_\_\_\_ Area \_\_\_\_\_

What kind of bomb? \_\_\_\_\_

What kind of package? \_\_\_\_\_

How do you know so much about the bomb? \_\_\_\_\_

What is your name and address? \_\_\_\_\_

If building is occupied, inform caller that detonation could cause injury or death.

Activate malicious call trace:

Hang up phone and do not answer another line. Choose same line and dial \*57 (if your phone system has this capability). Listen for the confirmation announcement and hang up.

Did the caller appear familiar with plant or building (by his/her description of the bomb location)? \_\_\_\_\_

Write out the message in its entirety and any other comments on a separate sheet of paper and attach to this checklist.

Notify your supervisor immediately.

## SEVERE WEATHER AND NATURAL DISASTERS

### Tornado:

- When a warning is issued by sirens or other means, seek inside shelter.

#### Consider the following:

- Small interior rooms on the lowest floor and without windows,
  - Hallways on the lowest floor away from doors and windows, and
  - Rooms constructed with reinforced concrete, brick, or block with no windows.
- Stay away from outside walls and windows.
  - Use arms to protect head and neck.
  - Remain sheltered until the tornado threat is announced to be over.

### Earthquake:

- Stay calm and await instructions from the Emergency Coordinator or the designated official.
- Keep away from overhead fixtures, windows, filing cabinets, and electrical power.
- Assist people with disabilities in finding a safe place.
- Evacuate as instructed by the Emergency Coordinator and/or the designated official.

### Flood:

#### If indoors:

- Be ready to evacuate as directed by the Emergency Coordinator and/or the designated official.
- Follow the recommended primary or secondary evacuation routes.

#### If outdoors:

- Climb to high ground and stay there.
- Avoid walking or driving through flood water.
- If car stalls, abandon it immediately and climb to a higher ground.



## Blizzard:

### If indoors:

- Stay calm and await instructions from the Emergency Coordinator or the designated official.
- Stay indoors!
- If there is no heat:
  - o Close off unneeded rooms or areas.
  - o Stuff towels or rags in cracks under doors.
  - o Cover windows at night.
- Eat and drink. Food provides the body with energy and heat. Fluids prevent dehydration.
- Wear layers of loose-fitting, lightweight, warm clothing, if available.

### If outdoors:

- Find a dry shelter. Cover all exposed parts of the body.
- If shelter is not available:
  - Prepare a lean-to, wind break, or snow cave for protection from the wind.
  - Build a fire for heat and to attract attention. Place rocks around the fire to absorb and reflect heat.
  - Do not eat snow. It will lower your body temperature. Melt it first.

### If stranded in a car or truck:

- Stay in the vehicle!
- Run the motor about ten minutes each hour.
- Open the windows a little for fresh air to avoid carbon monoxide poisoning.
- Make sure the exhaust pipe is not blocked.
- Make yourself visible to rescuers.
- Turn on the dome light at night when running the engine.
- Tie a colored cloth to your antenna or door.
- Raise the hood after the snow stops falling.
- Exercise to keep blood circulating and to keep warm.



Well Name:	10-17-53-23W4	UWI:	100/10-17-053-23W4/00	Date:	Dec 21/2021
Objective:	SCVF Test			Day:	1
PBTD:	mKB	KB:	mKB	KOP:	mKB
TVD:	mKB	GL:	mKB	KB-CF:	mKB
Frac Ports:				SITP:	
Frac Ports:				SICP:	
Operation @ 08:00	Testing			AFE #:	N/A
				License:	

Previous Day's Operations	Daily Cost Summary			
Travel and confir with Robin Tenney. Safety meeting and HAA; operators at location. Install SCVF hose assembly to windshield washer container. Monitor surface casing vent for 30 minutes and no bubbles observed. Wellhead heat traced and insulation wrapped; concluded to cancel valve grease-service.	Company	code	ticket#	Cost
<b>Daily Cost:</b>				
<b>Previous Cost:</b>				
<b>Cumulative Cost:</b>				
<b>Casing Volume:</b>		m <sup>3</sup>		
<b>Tubing Volume:</b>		m <sup>3</sup>		
<b>Annular Volume:</b>		m <sup>3</sup>		
<b>Surface Casing:</b>				
<b>Size:</b>		mm		273.00
<b>Weight:</b>		kg/m		
<b>Depth:</b>		mKB		192.00
<b>Production Casing:</b>				
<b>Size:</b>		mm		177.80
<b>Weight:</b>		kg/m		
<b>Depth:</b>		mKB		1822.00
<b>Tubing</b>				
<b>Size:</b>		mm		
<b>Weight:</b>		kg/m		
<b>Depth:</b>		mKB		
<b>Service Rig:</b>				
<b>Daily rig hours:</b>				
<b>Previous hours:</b>				
<b>Cumulative hours:</b>				
<b>Reservoir Fluids Summary</b>				
<b>Starting Load Fluid:</b>		m <sup>3</sup>		
<b>Daily Load Added:</b>		m <sup>3</sup>		
<b>Daily Load Recovered:</b>		m <sup>3</sup>		
<b>Load Fluid to Recover:</b>		m <sup>3</sup>		
<b>Bridge Plug</b>	@			
<b>Prod. Packer</b>	@			
<b>Anchor</b>	@			
<b>PSN</b>	@			
<b>Lease Condition:</b>	Fair	<b>Temp. °C:</b>	-12	<b>Weather:</b> Overcast
<b>Supervisor (s):</b>	BERT BLAKELY	<b>Cellular #:</b>	780-910-7105	<b>Received By:</b> Dallas Dundas

# Appendix 4

## Insurance Certificates



**Aon Reed Stenhouse Inc.**  
 900, 10025-102A Avenue  
 Edmonton City Centre  
 Edmonton, Alberta T5J 0Y2  
 Tel. (780) 423-9801 Fax (780) 423-9876

### CERTIFICATE OF INSURANCE

No. 21-04

**CERTIFICATE HOLDER**  
 Alberta Energy Regulator

**INSURED**  
 Eco-Industrial Business Park Inc.  
 2833 Broadmoor Blvd, Suite 260  
 Sherwood Park, AB  
 T8H 2H3


**RE: Confirmation of Insurance**

THIS IS TO CERTIFY THAT THE INSURANCE POLICIES LISTED BELOW HAVE BEEN ARRANGED FOR THE INSURED NAMED ABOVE. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS CONTAINED IN THE POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF POLICY AND INSURER	POLICY NUMBER	EFFECTIVE DATE 12:01 AM (DD/MM/YY)	EXPIRATION DATE 12:01 AM (DD/MM/YY)	LIMITS OF LIABILITY
COMMERCIAL GENERAL LIABILITY Intact Insurance	5ACL40276	01/10/21	01/10/22	\$2,000,000 EACH OCCURRENCE <i>Bodily Injury &amp; Property Damage</i> \$2,000,000 ANNUAL AGGREGATE, <i>Products &amp; Completed Operations</i> \$2,000,000 EACH ACCIDENT, <i>Non-Owned Auto Liability</i>
UMBRELLA LIABILITY Intact Insurance	5ACL40276	01/10/21	01/10/22	\$3,000,000 EACH OCCURRENCE

THIS CERTIFICATE OF INSURANCE IS ISSUED AT THE REQUEST AND FOR THE BENEFIT OF THE INSURED AND THE CERTIFICATE HOLDER. AON REED STENHOUSE INC. SHALL HAVE NO LIABILITY TO ANY OTHER PARTY WHO PLACES ANY RELIANCE HEREON.

*Aon Reed Stenhouse Inc.*  
 Insurance Brokers & Risk Consultants

PER:   
 Authorized Representative – Jacquie Carstairs

DATE: February 18, 2022

# APPENDIX “D”



March 7, 2022

Delivered by e-mail: [orphaninginsolvency@aer.ca](mailto:orphaninginsolvency@aer.ca)  
[matthew.coulas@aer.ca](mailto:matthew.coulas@aer.ca)

Alberta Energy Regulator  
1000, 250 – 5<sup>th</sup> Ave. SW  
Calgary, Alberta T2P 0R4  
Attention: Matthew Coulas

Dear Sir:

**Re: Alberta Energy Regulator (“AER”) Order 2022-011 - Proposed Operational Plan re Eco-Industrial Business Park Inc.**

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MNP Ltd., in its capacity as Court Appointed Receiver of Eco-Industrial Business Park Inc. (Eco-Industrial) (“MNP” or “Receiver”) is providing this Proposed Operational Plan (“Plan”) as permitted in AER Order 2022-011 (“Order”) dated February 14, 2022. The Order and the accompanying letter directed that should the Receiver seek to operate any of the licenses or approvals identified in the Order, a Plan must be submitted to the AER’s satisfaction prior to February 28, 2022. Acknowledging additional time was required to perform packer isolations tests on the 100/10-17-053-23W4 (“10-17”) well and 100/11-17-053-23W4 (“11-17”) well associated with the Order, the AER, by e-mail dated February 25, 2022, extended the deadline for delivery of the Plan to March 7, 2022.

Whereas the Receiver believes it is in the best interests of all stakeholders to 1) return the 10-17 well to operational status following all regulatory requirements as soon as possible and 2) pursue a path to evaluate the economics and logistics to potentially reactivate the 11-17 well and Waste Management Approval 154 (“WM 154”) following all regulatory requirements, the Receiver hereby submits this Plan for the AER’s further consideration.

Further to the activities described in the RCAM Confirmation Letter delivered to the AER via email on February 22, 2022, the Receiver confirms those RCAM activities identified in the RCAM Confirmation Letter continue to be in-place and that the following additional reasonable care and measures have since been undertaken:

1. The Receiver obtained Operator’s Extra Expense insurance coverage for the 10-17 well and 11-17 well effective February 24, 2022;
2. The Receiver is desirous of enhancing pollution coverage, has sourced Environmental Impairment Liability insurance and anticipates having coverage in-place by March 11, 2022;
3. Packer isolations tests were conducted on both the 10-17 well and 11-17 well, and the results were submitted to the AER Digital Data Submission (“DDS”) system on February 24, 2022;
4. An injectivity test was conducted on the 11-17 well on February 24, 2022;
5. Site security has reduced vandalism and unauthorized entry to the industrial park;
6. The Receiver has drafted a Contract Operating Agreement (“COA”) to be entered into with Celanese Canada ULC. (“Celanese”) for the operation of the 10-17 wellbore, outlining their responsibilities and requirements for adherence and compliance to all applicable laws, rules, regulations, policies, procedures, and directives of the AER and other applicable regulatory bodies in Alberta;



March 7, 2022  
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7. Celanese and their contract operator, VRL Projects Ltd. ("VRL"), have been inducted and incorporated into the Eco-Industrial Emergency Action Plan.
8. The Receiver's representative visits the site at least weekly and VRL staff are on site for day shifts seven days per week.
9. All accessible lease signage has been updated to reflect the Receiver's 24-hour emergency phone number. Remaining signage that has not been updated will need to be accessed during the summer months and the Receiver commits to having any outstanding signs updated by June 30, 2022.

Below, the Receiver outlines ongoing site activities in more detail and articulates the Plan for each of the 10-17 well and 11-17 well and WM 154.

#### **10-17-053-23W4 Well**

As outlined in the February 22, 2022 RCAM Confirmation Letter, the 10-17 well remains shut-in, chained and locked, and the flowlines drained and purged, with heat tracing remaining in operation. Since security to the site has been enhanced through new chains and locks on all gates, concrete barriers placed at the west entrance, and utility manhole covers on site being welded shut, there has been a marked reduction in trespassing and other criminal activities.

Site visits include documented weekly security inspections by Rob Tenney, the Receiver's HSE Representative provided by Sproule Asset Management Limited ("SAML"), plus Celanese representatives are onsite daily to monitor the water collection tanks and supervise loads being hauled off site now that the disposal well is inoperable. Approximately three loads (75 m<sup>3</sup>) are hauled offsite by Celanese daily.

On February 24, 2022, as required per AER Directive 087 (the "Directive"), the Receiver undertook to verify the integrity of the tubing/annulus isolation packer in the 10-17 well. The well is licensed as a Class 1A disposal well. The packer test was completed at approximately 7,000 KPa for 15 minutes. The result of this test indicated that the isolation packer has failed, and the results were submitted to the DDS system on the same day. In accordance with the Directive, the Receiver reported the failure within the required 30 days and shall commence operations to repair the packer within 90 days.

As file records have to-date not been provided to the Receiver, the Receiver has been unable to locate a relevant downhole schematic or details of the equipment in the well. Tour reports were ordered by Sproule Asset Management Limited from the AER for both the 10-17 well and 11-17 well on March 3, 2022, in order to determine key well details, such as tubing size, packer type, and setting depths. Access to this information will allow for better planning, mitigate operational risk during the repair and save costs. We understand that the AER as a rule undertakes to deliver the requested Tour reports within three weeks but earlier access would be helpful.

Once the repair is completed, packer isolation is confirmed and AER approval is received, the Receiver intends to reactivate the 10-17 well so that Celanese can access onsite disposal for contaminated ground water from its monitoring wells located across the site, and to ensure that Eco Industrial's obligations pursuant to its purchase agreement with Celanese are fulfilled (as discussed further below).

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Pursuant to a Purchase Agreement ("PA") entered into between Celanese Canada Inc., Edmonton Methanol Company and Worthington Properties Inc. (and which was assigned to Eco-Industrial) dated August 21, 2007, Celanese retains responsibility for Specified Environmental Liabilities, as outlined in Exhibit "B" to the PA including the responsibility for dealing with any remediation required as a result of contamination that occurred on the industrial site before closing for a period of 25 years after closing. Assuming closing occurred at the expiry of the amended option period, this responsibility continues through December 2032.

Pursuant to the PA, assets retained by Celanese, among other items, include the groundwater monitoring and extraction wells, associated piping, power and utility supply lines and associated fixtures and equipment, extraction trenches and other equipment, and engineered structures located on the property for use in connection with the remediation of hazardous substances ("Retained Assets").

In seeking AER approval to reactivate the 10-17 wellbore to its 1A disposal service, the Receiver commits to the following:

1. Execution of the COA between Receiver and Celanese, with VRL named as a specified contractor, outlining their responsibilities with respect to the 10-17 well and requirements for adherence and compliance to all applicable laws, rules, regulations, policies, procedures, and directives of the AER and other applicable regulatory bodies in Alberta;
2. Confirm and document that Celanese (and VRL) holds appropriate insurance as outlined in the COA;
3. Confirm and document that Celanese holds the necessary insurance for the Retained Assets;
4. The Receiver will confirm the placement and terms of its Environmental Impairment Liability insurance;
5. The Receiver will review and validate Celanese integrity management records;
6. Have Celanese/VRL conduct a pressure test of the surface and underground piping associated with the 10-17 well;
7. Have Celanese/VRL conduct a tank inspection of the tanks disposing into the 10-17 wellbore in accordance and to ensure compliance with Directive 055 regarding Storage Requirements for the Upstream Petroleum Industry;
8. Review and validate Celanese measurement schematic, meter calibration reports, and production accounting with respect to the 10-17 facilities to ensure compliance with Directive 017 regarding Measurement Requirements for Oil and Gas Operations; and
9. Ensure Celanese and VRL have procedures and processes in place to remain compliant with the policies and responsibilities of Directive 058: Oilfield Waste Management Requirements for the Upstream Petroleum Industry.

#### **11-17-053-23W4 Well and WM 154**

The Receiver acknowledges that further work is required to evaluate the economics and logistics prior to potentially reactivating the 11-17 well and operating WM 154. In the event that, following this further work, the Receiver is able to conclude that it is in the interest of stakeholders to reactivate the well, the Receiver will want to pursue the reactivation of the



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11-17 well and WM 154. This section of the Plan articulates the steps that the Receiver will be taking to evaluate the 11-17 well and WM 154 for reactivation.

As outlined in the February 22, 2022 RCAM Confirmation letter:

1. The wellbore, piping, and facilities associated with the 11-17 well are owned by Eco-Industrial and are under the operational control of the Receiver; and
2. All containment devices, including tanks, flowlines, and vessels on the 11-17 disposal well site were previously thawed, drained, and contents appropriately disposed of with the well remaining in a shut in and chain locked condition.

Historical operations at the 11-17 site involved industrial waste being trucked in and offloaded into two 750 bbl tanks. The waste was then metered and disposed into the 11-17 well. At the current time, electricity to this site is not in service. The well, piping and tanks have been appropriately winterized notwithstanding that there is no power or active heat tracing capability in place. If commercial operations are to be restarted, power will need to be restored to the 11-17 well site.

Also noted during inspections of the site, there were indications of a potential breach of the secondary containment liner in the onsite tank farm. The Receiver will undertake to verify the integrity of the liner, and in the event of a confirmed failure, have it repaired or replaced as required by Directive 055 regarding Storage Requirements for the Upstream Petroleum Industry prior to returning the site to commercial operations. The tanks have been drained, cleaned, and remain shut in with valves locked closed.

As per the Directive, regarding Well Integrity Management, the Receiver completed an isolation packer integrity test on the 11-17 well on February 24, 2022. With the 11-17 well licensed as a Class 1A disposal well, the packer was tested to 7000 kPa for 15 minutes. Pressure held indicating the isolation packer in the 11-17 well has integrity and the results were reported in the DDS system on the same day.

Utilizing the same equipment later that day, a step rate injectivity test was performed over the disposal zone in the 11-17 well using fresh water to determine the amount of fluid the well would take at varying pressures. The results of this test are in the process of being analyzed and will be utilized to undertake an engineering and economic assessment of options available to the Receiver to re-establish commercial disposal operations. The Receiver acknowledges that any plan to reactivate the 11-17 well or WM 154 will require AER approval prior to proceeding. These options may include a potential reservoir stimulation/intervention operation to remove near wellbore formation damage, the installation of an engineered and licensed disposal facility (pumping station), or a combination of both. The Receiver anticipates that collecting the necessary data and conducting the Review will take up to 60 days.

To better understand the elements required for a successful stimulation of the disposal zone in the 11-17 well, the Receiver has endeavored to source waste manifests and other business information through Eco-Industrial but has been unsuccessful to date in obtaining any such records. As per Direction 058, Waste Management Requirements for the Upstream Petroleum Industry, Eco-Industrial may have been required to submit Annual Oilfield Waste Disposition Reports to the AER. The Receiver requests that the AER provide any historical waste manifests it may have in its possession through previously submitted

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Eco-Industrial annual reports. This would aid the Receiver in the potential design of the wellbore stimulation program to restore reservoir injectivity.

Pending the outcome of the Review and approval of the AER to resume operations for the 11-17 well and disposal operations pursuant to facility license WM 154, the well and all associated facilities will remain shut-in, in a chained and locked condition, in compliance with Directive 013: Suspension Requirements for Wells, and the RCAM Order. Any efforts to reactivate the 11-17 well and facility license WM 154 for commercial disposal will accompany requirements to ensure the well, facilities and operations are compliant with Directives 017, 055, 058, 087 and other applicable AER regulations as required.


### Summary

Pursuant to this Plan, the Receiver is:

1. Requesting that the AER provide approval for the Receiver to reactivate operations for the 10-17 well; and
2. Requesting that the AER provide an additional 60 days for the Receiver to conduct an engineering and economic assessment for the 11-17 well and disposal operations pursuant facilities license WM 154.

If you have any further questions about the RCAM activities undertaken or the Plan, please contact the undersigned at 403-298-8479.

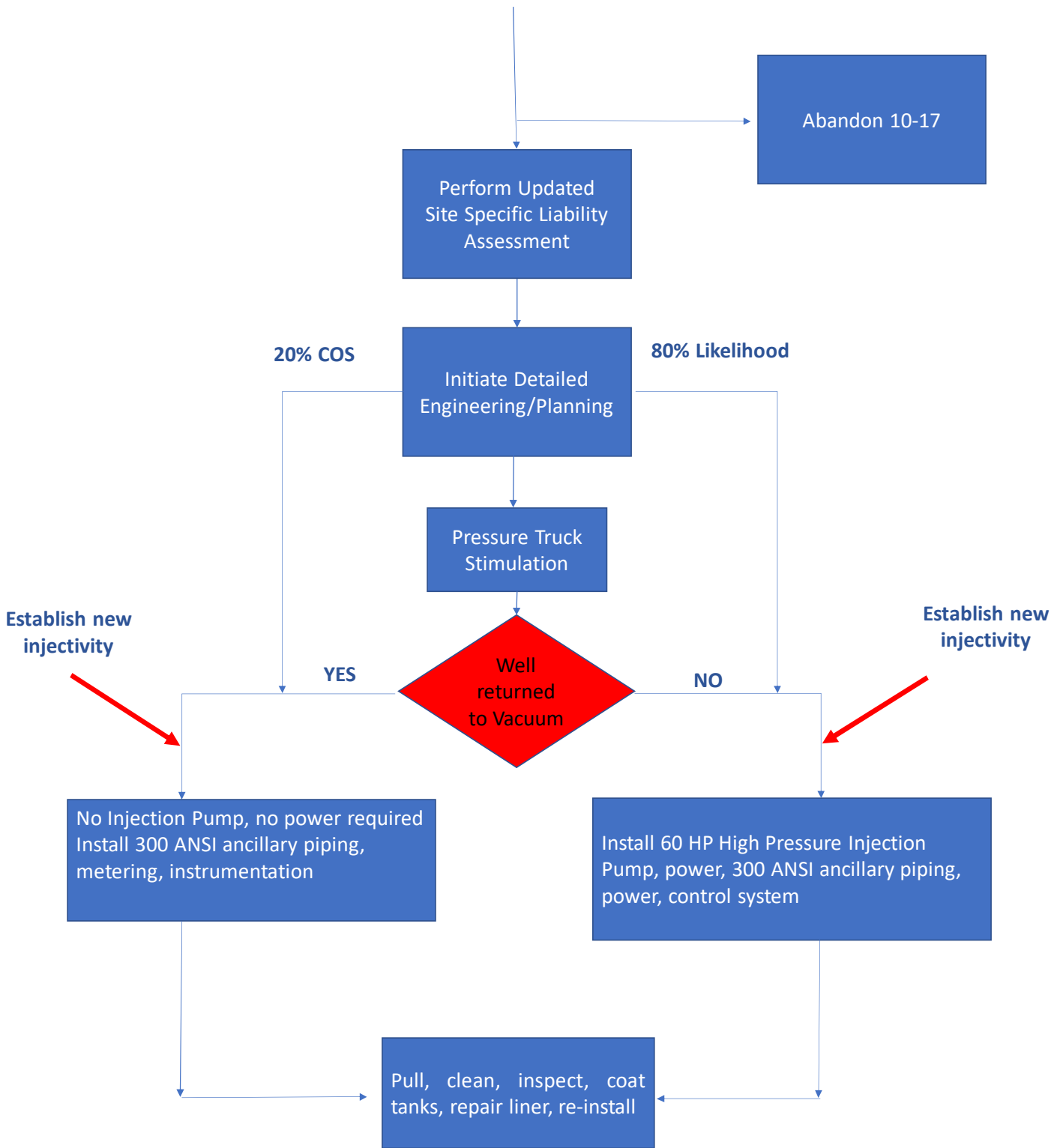
**MNP Ltd., in its capacity as Court Appointed Receiver of Lot 11 GP Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc., Absolute Energy Resources Inc., and Absolute Environmental Waste Management Inc., and not in its personal or corporate capacity.**



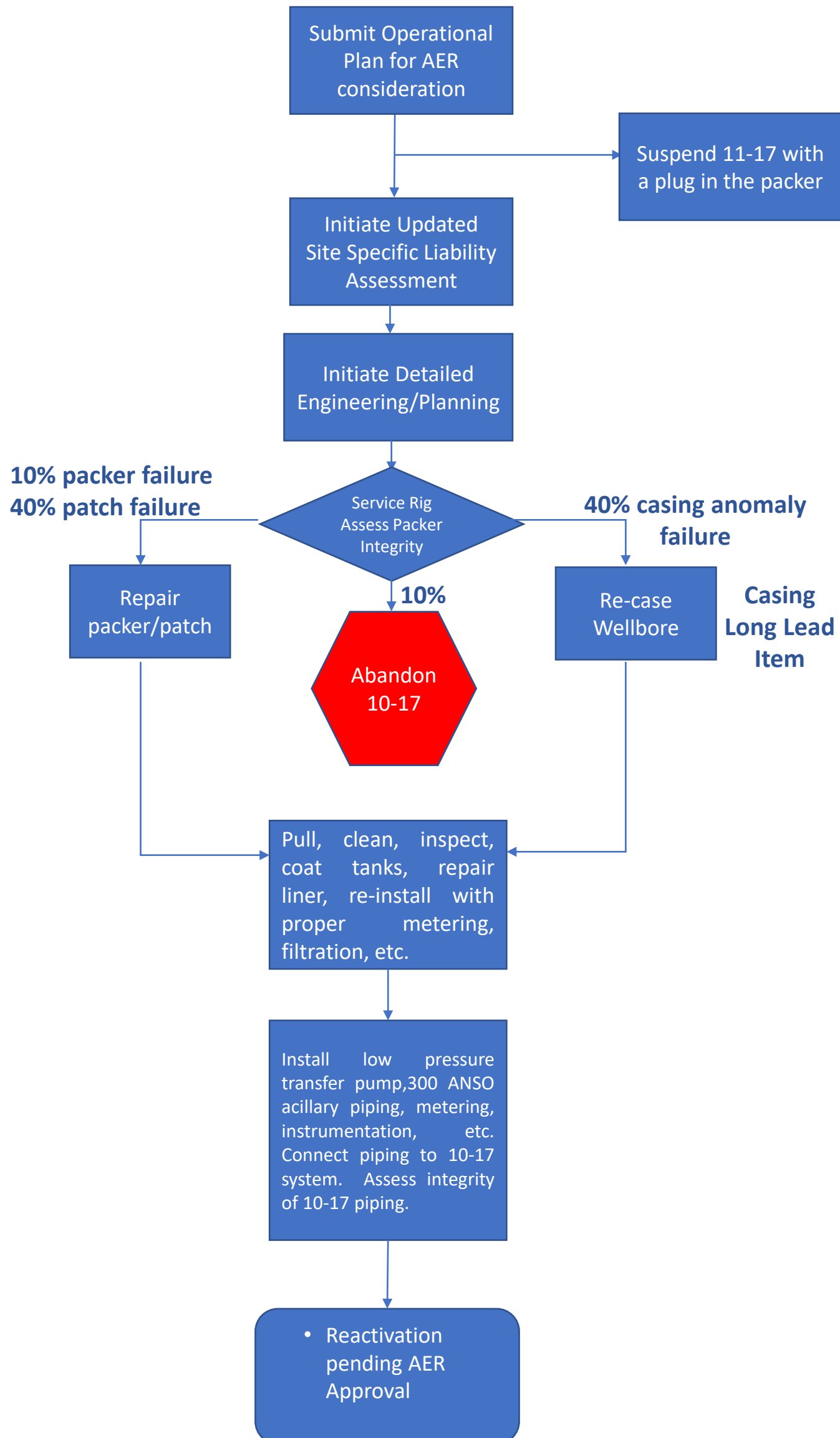
Per: \_\_\_\_\_  
Name: Victor P. Kroeger  
Title: Senior Vice President

# APPENDIX “E”

**11-17-053-23W4 Disposal  
Decision Tree  
(Plugged Well)**



**10-17-053-23W4 Disposal  
Decision Tree  
(Failed Packer Test)**





# APPENDIX “F”

**Scenario 1: Facility Upgrades at 11-17-053-23W4  
Facility WM154, Utilize 11-17 Wellbore for Disposal  
NOT ECONOMIC AT PROJECTED RATES**

- Inject at high pressure into 11-17 wellbore due to plugging
- Abandon 10-17 wellbore as required by AER

**Benefits:**

- WM154 approval in place, monitoring wells in place, groundwater collection system in place.
- Any upgrades to facility covered are under the existing approval

**Challenges:**

- Injectivity limited to uncommercial rates
- Obligation to accept Celanese water at zero cost
- Stimulation has low chance of success based on frac results
- High capital cost associated with high pressure disposal pump
- Estimated cash flow with pump is negative
- AER approval required

[REDACTED]

**Scenario 2: Facility Upgrades at 11-17-053-23W4  
Facility WM154, Utilize 10-17 Wellbore for Disposal**

- Connect to Celanese disposal piping to 10-17 wellbore
- Dispose of fluids at low pressure into the repaired 10-17 wellbore
- Suspend 11-17 wellbore

**Benefits:**

- Well accepts fluids at low pressure
  - No high-pressure pump or 3 phase power required
- Higher disposal capacity than 11-17

**Challenges:**

- Wellbore compromised - Requires technical assessment to determine cost to fix [REDACTED]
- Well remote from facility and requires use of Celanese pipeline and need to verify integrity
- Modifying scheme to dispose down 10-17 well may trigger an AER amendment application to WM154
- Full market potential is unknown at this time
- Well full disposal capacity on vacuum unknown
- AER approval required

[REDACTED]

**Scenario 3: Abandon both wells and WM154 Facility  
at 11-17. Reclaim site to equivalent land capability  
"WALK AWAY" [REDACTED]**

- Assumes routine abandonment of both wellbores (\$100K x 2)
- Assumes Phase 1 and 2 Environmental Studies and decommissioning of 11-17 facility equipment
- Assumes site remediation limited to 11-17 facilities only (does not include Celanese facilities or greater industrial park)

**Benefits:**

- Clean up site for potential sale and alternative use
- Conforms to current AER RCAM order

**Challenges:**

- Existing Site-Specific Liability Assessment (SSLA) out of date and not in our possession [REDACTED]
- Phase 2 environmental study may reveal unknown contamination (under tank farm, lined pond, etc.)
- Contamination of larger industrial park to be dealt with separately

[REDACTED]

# APPENDIX “G”

District of Alberta  
Division No. 01 - Edmonton  
Court No. 24-116203  
Estate No. 24-116203

Absolute Environmental Waste Management Inc. et al - In Receivership  
Statement of Receipts and Disbursements  
For the Period November 4, 2021 to May 25, 2022

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**RECEIPTS**

Receiver's Certificate	\$	700,000.00
Rental Income		9,000.00
Miscellaneous refunds		354.99

**TOTAL RECEIPTS**

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709,354.99

**DISBURSEMENTS**

Legal Fees/Disbursements to March 31, 2022	161,569.23
Receiver's Fees and Costs to March 31, 2022	112,379.24
Insurance	72,358.00
Operating Expense	63,131.12
Consulting Services	51,568.89
Net GST paid	17,062.24
Security	895.50
Annual Return Filing	709.98
Telephone	399.00
Filing fees paid to the OR	364.85
Bank Charges	25.20

**TOTAL DISBURSEMENTS**

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480,463.25

**Net Cash Receipts over Cash Disbursements represented by Cash in Bank**

**\$ 228,891.74**

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