

COURT FILE NUMBER

1601-03126

COURT

COURT OF QUEEN'S BENCH OF  
ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF(S)

CALLIDUS CAPITAL CORPORATION

DEFENDANT(S)

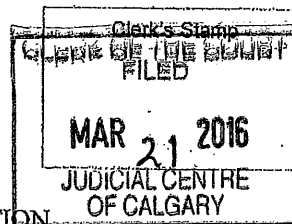
ALKEN BASIN DRILLING LTD.

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE  
AND  
CONTACT INFORMATION  
OF  
PARTY FILING THIS  
DOCUMENT

LAWSON LUNDELL LLP  
Barristers & Solicitors  
3700, 205 - 5<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 2V7  
Attention: William L. Roberts / Sarah J. Nelligan  
Telephone: (403) 269-6900  
Fax: (403) 269-9494



*Call* *1620* AFFIDAVIT OF CRAIG BOYER

I, CRAIG BOYER, of 4220 - 181 Bay Street, in the City of Toronto, Ontario, Vice President of the above-named Plaintiff, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Vice President of the Plaintiff Callidus Capital Corporation ("Callidus") herein and as such have personal knowledge of the matters herein deposed to except where stated to be based upon information and belief.
2. I am authorized to make this Affidavit on behalf of Callidus, and make it based upon my review of the Plaintiff's records and ledgers as kept by it in the ordinary course of business.

*The Parties*

3. Callidus is a body corporate and is duly authorized to carry on business in the Province of Alberta, having an address for service for the purposes of these proceedings located at Suite 3700, 205 - 5th Avenue S.W., Calgary, Alberta, T2P 2V7.
4. The Defendant Alken Basin Drilling Ltd. ("Alken"), is a body corporate and is duly authorized to carry on business in the Province of Alberta, having a registered office address at Box 47, Bentley, Alberta, T0C 0J0.
5. Alken is in the business of providing water and drilling services, including the drilling of industrial and domestic water wells in Southern Alberta, drilling services related to coring projects near Fort McMurray and the resale and installation of water well related products, such as pumps.

6. Callidus is in the business of, amongst other things, lending to businesses that for various reasons are unable to secure or maintain traditional bank financing. It is in that capacity that Callidus is the primary secured lender to Alken.

#### *The Credit Agreement*

7. Attached hereto and marked as *Exhibit "A"* is a true copy of an agreement made in writing and dated March 31, 2014 (the "**Credit Agreement**") whereby Callidus granted the following credit facilities to Alken having an aggregate credit limit of \$28,500,000, subject to the conditions contained therein:
- a. A demand revolving loan in the amount of up to \$5,000,000 ("**Facility A**");
  - b. A demand non-revolving loan in the amount of the lesser of \$19,000,000 and 90% of the forced liquidation value of Alken's unencumbered machinery and equipment and related parts inventory ("**Facility B**"); and
  - c. A demand non-revolving loan in the amount of the lesser of \$4,500,000 and 75% of the commercial market value (as determined by an appraiser) of the certain lands as defined in the Credit Agreement ("**Facility C**").
8. Express terms of the Credit Agreement include:
- a. All amounts due and owing pursuant to the Credit Agreement are payable on demand;
  - b. interest on outstanding amounts, including principal, interest, costs and expenses, accrues at the rate of 18% per annum calculated and compounded daily;
  - c. interest on all amounts outstanding from and after an event of default accrues at the rate of 21% per annum; and
  - d. all legal and professional fees and disbursements and all expenses with respect to the Credit Agreement, including the enforcement of Callidus's and remedies pursuant to the Credit Agreement are to be borne by Alken.

#### *The Security*

9. Attached hereto and marked as *Exhibit "B"* is a true copy of a debenture agreement made in writing and dated March 31, 2014 (the "**Debenture**"), which secures the amounts advanced by Callidus, Alken granted Callidus a first ranking security interest against all of Alken's assets, undertaking and property, real and personal, tangible and intangible, whether now owned or hereafter acquired, including:
- a. as and by way of a fixed and specific mortgage, transfer, grant, conveyance and charge, all of the estate, right, title and interest of Alken in certain real property;
  - b. as and by way of a fixed and specific assignment, mortgage and charge, all of Alken's right, title and interest in and to all leasehold property and the leases in respect thereof and the leasehold estates thereby created and any renewals thereof, and all and singular the tenements, hereditaments, easements, rights, privileges and

appurtenances of such leasehold estates at any time and from time to time belonging or in any way appertaining thereto;

- c. as and by way of a fixed and specific mortgage, transfer, grant, conveyance, charge and assignment, all Alken's right, title and interest in and to the Rents;
- d. as and by way of a fixed and specific security interest and charge all of its present and after-acquired personal property of whatsoever nature and kind and wheresoever situate, and all proceeds thereof and therefrom, including all present and future inventory, accounts, all goods, other than inventory, including without limitation, all machinery, tools, fixtures, furniture, furnishings, vessels, plant, serial numbered goods, and other tangible personal property not constituting Inventory and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, all chattel paper, all documents of title, including all warehouse receipts and bills of lading, whether negotiable or not, all investment property, intangibles including all intellectual property, contracts, permits and any other contractual rights, licences, goodwill and other industrial property, money, all books, papers, books of account, invoices, documents, electronically stored data, the medium of storage and programs with respect to access thereto, all replacements of, substitutions for and increases, additions and accessions to any of the property, all proceeds of the property, including all personal property in any form or fixtures or crops derived directly or indirectly from any dealing with such property, or any right to an insurance payment or any other payment as indemnity or compensation for the loss of or damage to such property or any payment made in total or partial discharge or redemption of any Intangible, investment property or chattel paper; and
- e. as and by way of a floating charge all of its assets, effects, property and undertaking, real and personal, whether presently owned or held or hereafter acquired or held or to which it is now or hereafter becomes otherwise entitled, and of whatsoever nature and kind and wheresoever situate, all to the extent that any such asset, effect, property or undertaking is not effectively and validly charged by the fixed and specific mortgages, pledges, charges and security interests created by the Debenture

(collectively, the "Charged Property").

10. Express terms of the Debenture include:

- a. The security granted shall become enforceable and the floating charge created pursuant to the Debenture shall become crystalized and constitute a fixed charge on all of the Charged Property upon the occurrence of an event of default or the occurrence of any other event which by operation of law would result in the floating charge hereof becoming a fixed charge;
- b. Callidus's remedies to enforce the security include, but are not limited to:
  - i. the institution in any court of competent jurisdiction of proceedings for the foreclosure or sale of the Charged Property of any portion thereof;

- ii. the appointment by instrument in writing of a Receiver or agent of the Charged Property and the removal or replacement of such Receiver or agent from time to time; and
  - iii. the commencement of proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Charged Property;
- c. Any Receiver appointed by Callidus shall be vested with the rights and remedies which could be exercised by Callidus in respect of Alken or the Charged Property and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. Callidus shall have the sole and unfettered discretion with respect to the appointment of the Receiver and similar discretion with respect to the appointment of any other Receiver in his place and as to the remuneration of any such Receiver or replacement Receiver;
- d. Any Receiver appointed by Callidus shall act as agent for Callidus for the purposes of taking possession of the Charged Property, but otherwise and for all other purposes (except as provided below and with respect to its discharge) shall constitute the agent for Alken. The Receiver may sell, lease or otherwise dispose of the Charged Property as agent for Alken or as agent for Callidus (but in all cases shall take direction from Callidus) as Callidus may determine in its sole and unfettered discretion. Alken shall ratify and confirm all actions of the Receiver acting as agent for Alken and release and indemnify the Receiver in respect of all such actions;
- e. Callidus shall not incur liability to the Receiver, Alken or any other person in appointing or refraining from appointing any Receiver and shall not be responsible for or incur any liability in respect of any act, omission, misconduct or negligence of any Receiver;
- f. Alken irrevocably submits to the non-exclusive jurisdiction of any Alberta court of competent jurisdiction sitting in Calgary, Alberta, Canada in any action or proceeding arising out of or relating to this Debenture;
- g. All monies from time to time received by Callidus or a Receiver may be applied as follows:
  - i. first, in payment of the fees and disbursements charged by the Receiver (if any) in connection with the enforcement of this Debenture;
  - ii. second, in payment of all expenses made or incurred by Callidus, including all legal fees and expenses determined on a solicitor and his or her own client basis, or the Receiver in connection with the management, operation, construction, repair, alteration or extension of the Charged Property, including amounts paid to any person holding security in respect of the Charged Property in priority to the Debenture, and all taxes, insurance premiums and every other expenditure made or incurred in respect of the Charged Property or any part thereof; and



iii. third, in payment to Callidus of monies payable pursuant to the Debenture and to Callidus in respect of Alken's obligations to Callidus.

11. Attached hereto and marked as *Exhibit "C"* to this my affidavit is a true copy of a search of the Alberta Personal Property Registry pertaining to Alken.
12. Attached hereto and marked as *Exhibit "D"* is a true copy of a demand promissory note dated March 31, 2014 with respect to Facility A.
13. Attached hereto and marked as *Exhibit "E"* is a true copy of a demand promissory note dated March 31, 2014 with respect to Facility B.
14. Attached hereto and marked as *Exhibit "F"* is a true copy of a demand promissory note dated March 31, 2014 with respect to Facility C.

#### *The Default*

15. By an engagement letter dated December 1, 2014, Range Corporate Advisors Inc. ("**Range Advisors**") was engaged by Alken as a corporate advisor to Alken. Range Advisors is a corporate advisory firm that specializes in the turnaround, restructuring, refinance, and sale of troubled businesses. Scott Sinclair ("**Sinclair**") was the Range Advisors' Managing Director assigned to assist Alken.
16. Range Advisors' engagement was to assist Alken in connection with, amongst other things, considering, analyzing and pursuing various alternatives to:
  - a. manage and improve Alken's short term liquidity;
  - b. turnaround its financial and operating performance; and
  - c. payout its indebtedness to Callidus.
17. As engaged to do so, Range Advisors attempted to initiate the turnaround plan devised by Sinclair for Alken which involved cutting expenses, selling excess and redundant capital assets to reduce debt, eliminating related party transactions and improving other internal control related issues, and ultimately refinancing or selling the right sized business for the benefit of all stakeholders.
18. As at March 16, 2015, Alken was indebted to the Plaintiff pursuant to the Credit Agreement for the amount of \$23,292,514.02, plus interest at the rate of 21% per annum calculated and compounded daily, costs, and fees thereafter.
19. By letter dated March 18, 2015, which is attached hereto and marked as *Exhibit "G"* to this my affidavit, the Plaintiff made demand upon Alken for payment of these amounts but Alken has refused or neglected to pay.
20. On April 21, 2015, Sinclair was appointed to act as President of Alken following the resignation of the company's prior President and majority shareholder, Kevin Baumann ("**Baumann**"). The appointment was executed by Baumann in his capacity as Director of Alken.

21. On June 2, 2015, Sinclair was appointed Director of Alken following the resignation of Baumann from the Board of Directors.
22. By letter dated February 1, 2016, which is attached hereto and marked as *Exhibit "H"* to this my affidavit, the Plaintiff made further demand upon Alken for payment of the above amounts but Alken has refused or neglected to pay.
23. As at March 4, 2016, Alken remains indebted to Callidus in the total sum of \$27,427,552.83, as follows:

Facility A	\$7,668,686.60
Facility B	\$14,473,381.67
Facility C	\$5,020,484.56
Facility fee	\$265,000.00
TOTAL	\$27,427,552.83

SWORN BEFORE ME at the City of  
Toronto, Ontario, this 21<sup>st</sup> day of  
 March, 2016.

Christine Mason  
 Commissioner for taking Oaths in and for the  
 Province of Ontario  
 Christine Mason

CRAIG BOYER

This is Exhibit "A" referred to in the Affidavit of  
Craig Boyer, sworn before me at the City of  
Toronto, in the Province of Ontario.  
this 21 day of March, 2016.

Onfroy

A COMMISSIONER FOR TAKING OATHS IN AND FOR  
THE PROVINCE OF ONTARIO

**CALLIDUS CAPITAL CORPORATION**

Suite 4320, Royal Trust Tower  
77 King Street West  
Toronto, Ontario  
M5K 1K2  
Fax (416) 941-9876

March 31, 2014

Alken Basin Drilling Ltd.  
P.O. Box 47  
Bentley, Alberta T0C 0J0

Attention: Kevin Baumann

Dear Sir / Madame:

Callidus Capital Corporation (the "Lender") hereby offers to the Borrower the following credit facilities (collectively, "Loan"), on the following terms and conditions:

**1. BORROWER AND GUARANTORS:**

Alken Basin Drilling Ltd. (the "Borrower")

1711760 Alberta Ltd., Kevin Baumann, Michael Baumann and Kevin Schmidt (collectively, the "Guarantor")

**2. FACILITIES:**

- (a) **Facility A:** Demand revolving loan in the amount of up to Five Million Canadian Dollars (\$5,000,000 Cdn.) (or United States dollar equivalent) (the "Facility A Loan").
- (b) **Facility B:** Demand non-revolving loan in the amount (the "Facility B Loan Amount") of the lesser of Nineteen Million Canadian Dollars (\$19,000,000 Cdn) (or United States dollar equivalent) and 90% of the forced liquidation value (as determined by an appraiser acceptable to the Lender) of the Borrower's unencumbered machinery and equipment and related parts inventory (the "Equipment Appraisal"), including, without limitation, those items listed in Schedule "G" attached hereto (collectively, the "Equipment") (the "Facility B Loan").
- (c) **Facility C:** Demand non-revolving loan in the amount (the "Facility C Loan Amount") of the lesser of Four Million Five Hundred Thousand Dollars (\$4,500,000) and 75% of the commercial market value (as determined by an appraiser acceptable to the Lender) of the Property from time to time (the "Realty

Appraisal") less the amount of all existing prior encumbrances including, without limitation, real property taxes, all as determined by the Lender from time to time in its discretion (the "Facility C Loan").

### 3. PURPOSE:

The Loan shall be used by the Borrower to: (i) provide working capital; (ii) payout its existing credit facilities with Servus Credit Union, Royal Bank of Canada and 1208823 Alberta Ltd.; and (iii) reduce its indebtedness to debenture holders.

### 4. DEFINITIONS:

In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

- (a) "Accounts Receivable Insurance" has the meaning attributed thereto in Paragraph 4(p)(viii) of this Agreement.
- (b) "Additional Closing Documents" has the meaning attributed thereto in Paragraph 15 of this Agreement.
- (c) "Affiliate" has the meaning specified in the *Business Corporations Act* (Ontario).
- (d) "Applicable Laws" means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction.
- (e) "Blocked Account" has the meaning attributed thereto in Paragraph 16(a)(iii) of this Agreement.
- (f) "Blocked Account Agreement" has the meaning attributed thereto in Paragraph 17(b) of this Agreement.
- (g) "Borrowing" means each use of the Loan and all such usages outstanding at any time are "Borrowings".
- (h) "Business Day" means any day other than a Saturday or a Sunday or any other day on which banks are closed for business in Toronto.
- (i) "Collateral" means all of the Borrower's real and personal property, assets and undertaking.
- (j) "Credit Documents" means this Agreement, the Security Agreements and all other documents to be executed and delivered to the Lender by the Borrower or any other person, as the case may be, as the same have been or may at any time

and from time to time hereafter be amended, restated, supplemented, otherwise modified or replaced.

- (k) "Default" means an event which, with the giving of notice or passage of time, or both, would constitute an Event of Default.
- (l) "Disbursement Account" means the account specified in Schedule "A" attached hereto from which the Borrower shall make all of its payments and disbursements.
- (m) "Disclosure Schedule" means Schedule "B" attached hereto as amended from time to time with the written consent of the Lender.
- (n) "Distribution" means, in respect of any person, the amount of (i) any dividend or other distribution on issued shares or other equity interests of such person; (ii) the purchase, redemption or retirement amount of any issued shares, warrants or any other options or rights to acquire shares of the person redeemed, retired or purchased by such person; (iii) the payment of any management fees; and (iv) any payment made on, under or in respect of any debt of such person.
- (o) "Eligible Accounts Receivable" means accounts receivable of the Borrower from arm's length third parties that are unrelated to and unaffiliated with the Borrower and the Guarantors and that:
- (i) arise from actual and *bona fide* sales and delivery of goods or services by the Borrower in the ordinary course of its business;
  - (ii) in respect of any individual invoice, are less than ninety days (90) days old from the date of the original invoice;
  - (iii) do not have more than fifty percent (50%) of the aggregate amount owing outstanding for longer than ninety (90) days from the date of the original invoice;
  - (iv) are not subject to any disputes, contra, set-offs, hold-backs, right of return or customer deposits;
  - (v) are net of any reserves as determined by the Lender, in its sole discretion;
  - (vi) are owing by account debtors located in Canada or the United States of America;
  - (vii) do not arise from individual consumers other than active farms as approved and determined by the Lender from time to time in its sole discretion;

- (viii) are complete in all respects and exclude any invoices in respect of goods or services that have not been provided to or received by the customer; and
- (ix) are and continue to be acceptable to the Lender, in its sole discretion, for margining purposes.
- (p) "Eligible Insured Accounts Receivable" means accounts receivable of the Borrower from arm's length third parties that are unrelated to and unaffiliated with the Borrower and the Guarantors and that:
- (i) arise from actual and *bona fide* sales and delivery of goods or services by the Borrower in the ordinary course of its business;
  - (ii) in respect of any individual invoice, are less than one hundred and twenty days (120) days old from the date of the original invoice;
  - (iii) do not have more than fifty percent (50%) of the aggregate amount owing outstanding for longer than one hundred and twenty (120) days from the date of the original invoice;
  - (iv) are not subject to any disputes, contra, set-offs, hold-backs, right of return or customer deposits;
  - (v) are net of any reserves as determined by the Lender, in its sole discretion;
  - (vi) are owing by account debtors located in Canada or the United States of America;
  - (vii) are complete in all respects and exclude any invoices in respect of goods or services that have not been provided to or received by the customer;
  - (viii) are insured by an insurer satisfactory to the Lender and on terms satisfactory to the Lender in its sole discretion from time to time (the "Accounts Receivable Insurance"); and
  - (ix) are and continue to be acceptable to the Lender, in its sole discretion, for margining purposes.
- (q) "Eligible Investment Grade Accounts Receivable" means accounts receivable of the Borrower from arm's length third parties that are unrelated to and unaffiliated with the Borrower and the Guarantors and that:
- (i) are rated "BBB" or higher by a rating service satisfactory to the Lender, in its sole discretion from time to time;
  - (ii) arise from actual and *bona fide* sales and delivery of goods or services by the Borrower in the ordinary course of its business;

- (iii) in respect of any individual invoice, are less than one hundred and twenty days (120) days old from the date of the original invoice;
  - (iv) do not have more than fifty percent (50%) of the aggregate amount owing outstanding for longer than one hundred and twenty (120) days from the date of the original invoice;
  - (v) are not subject to any disputes, contra, set-offs, hold-backs, right of return or customer deposits;
  - (vi) are net of any reserves as determined by the Lender, in its sole discretion;
  - (vii) are owing by account debtors located in Canada or in the United States of America;
  - (viii) are complete in all respects and exclude any invoices in respect of goods that have not been shipped or received by the customer; and
  - (ix) are and continue to be acceptable to the Lender, in its sole discretion, for margining purposes.
- (r) "Encumbrances" means any mortgage, lien, pledge, assignment, charge, security interest, title retention agreement, hypothec, levy, execution, seizure, attachment, garnishment, right of distress or other claim in respect of property of any nature or kind whatsoever howsoever arising (whether consensual, statutory or arising by operation of law or otherwise) and includes arrangements known as sale and lease-back, sale and buy-back and sale with option to buy-back or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the PPSA or Uniform Commercial Code (or equivalent statutes) of any jurisdiction.
- (s) "Equipment" has the meaning attributed thereto in Paragraph 2(b) of this Agreement.
- (t) "Equipment Appraisal" has the meaning attributed thereto in Paragraph 2(b) of this Agreement.
- (u) "ET" means eastern daylight savings or standard time, as the case may be.
- (v) "Event of Default" has the meaning attributed thereto in Paragraph 24 of this Agreement.
- (w) "Facility A Loan" has the meaning attributed thereto in Paragraph 2(a) of this Agreement.
- (x) "Facility B Loan" has the meaning attributed thereto in Paragraph 2(b) of this Agreement.



- (y) "Facility C Loan" has the meaning attributed thereto in Paragraph 2(c) of this Agreement.
- (z) "Facility A Loan Availability" has the meaning attributed thereto in Paragraph 5(a) of this Agreement.
- (aa) "GAAP" means generally accepted accounting principles in effect from time to time in Canada applied in a consistent manner from period to period.
- (bb) "Governmental Entity" means any (i) multinational, federal, provincial, state, municipal, local or other government, governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any crown corporation incorporated by the foregoing; (iii) any subdivision or authority of any of the foregoing; or (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.
- (cc) "Guarantor" means collectively, 1711760 Alberta Ltd., Kevin Baumann, Michael Baumann and Kevin Schmidt and any other person who, from time to time, guarantees to the Lender the payment or performance of any of the Borrower's obligations to the Lender and "Guarantor" means any one of them;
- (dd) "Governmental Entity" means any (i) multinational, federal, provincial, state, municipal, local or other government, governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any crown corporation incorporated by the foregoing; (iii) any subdivision or authority of any of the foregoing; or (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.
- (ee) "Indemnified Person" has the meaning attributed thereto in Paragraph 23(b) of this Agreement.
- (ff) "Lien" means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.
- (gg) "Material Adverse Change" means any change, condition or event which, when considered individually or together with other changes, conditions, events or occurrences could reasonably be expected to have a Material Adverse Effect.
- (hh) "Material Adverse Effect" means a material adverse effect on (i) the business, revenues, operations, assets, liabilities (contingent or otherwise), financial condition or prospects of the Borrower; (ii) on the rights and remedies of the Lender under the Credit Documents; (iii) on the ability of the Borrower to

perform its obligations under the Credit Documents; or (iv) on the Liens created by the Security Agreements.

(ii) "Material Contracts" has the meaning attributed thereto in Paragraph 18(j) of this Agreement.

(j) "Permitted Encumbrances" means, without Lender having or being deemed to have acknowledged, acquiesced or agreed to the quantum secured by such Encumbrances or to the priority, enforceability, or validity of such Encumbrances:

(i) any "purchase money security interests" in respect of equipment (as defined in the PPSA) used by the Borrower in the operation of its business and which is not for resale, lease or rental to its customers which is assumed, created or reserved to secure the unpaid purchase price of such equipment after the date hereof provided that any such Encumbrance is limited to the equipment so acquired;

(ii) PPSA registrations listed in Schedule "C" attached hereto;

(iii) any Statutory Encumbrances;

(iv) undetermined or inchoate Liens arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with Applicable Laws or of which written notice has not been duly given in accordance with Applicable Law or which, although filed or registered, relate to obligations not due or delinquent;

(v) restrictions, easements, rights-of-way, restrictive covenants, licenses, servitudes, watercourse, right of way, right of access or user or other similar rights in land (including, without restriction, rights of way and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved by other Persons and rights reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit to terminate or to require annual payments as a condition to the continuance thereof, which do not, either individually or in the aggregate, materially impair the value, use, development, management, ownership or operation of the property subject thereto and do not materially adversely affect the marketability of such property;

(vi) the rights reserved to or vested in municipalities or governmental or other public authorities or agencies by statutory provisions or by the terms of leases, licenses, franchises, grants or permits, to terminate the leases, licenses, franchises, grants or permits or to require annual or other periodic payments as a condition of the continuance thereof, but only to the extent that same does not in the aggregate materially impair the value, use, development, management, ownership or operation of the property

subject thereto and do not materially adversely affect the marketability of the such property;

- (vii) reservations in any original grants from the Crown of any land or interest therein, statutory exceptions to title, and reservations of minerals right (including coal, oil and natural gas) in any grants from the Crown or from any other predecessors in title;
  - (viii) securities given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the development, management, ownership and operation of property;
  - (ix) Liens on deposits in connection with bids, tenders and contracts (excluding those relating to the borrowing of money or the repayment of borrowed money) or to secure workers' compensation, unemployment insurance or other similar statutory assessments, or to secure costs of litigation when required by law, and surety or appeal bonds or deposits;
  - (x) zoning, use and building by laws and ordinances, federal, provincial or municipal by-laws and regulations and other governmental restrictions as to the use of property;
  - (xi) subdivision agreements, subdivision applications, site plan control agreements, servicing agreements and other similar agreements with municipalities affecting the development or use of the real property which do not, either individually or in the aggregate, materially impair the value, use, development, management, ownership or operation of the property subject thereto and do not materially adversely affect the marketability of such property;
  - (xii) title defects or irregularities which are of a minor nature and in the aggregate will not materially impair the value, use or marketability of the property for the purposes for which it is held;
  - (xiii) Liens that are contractual rights of set-off relating to the establishment of depository relations with banks not given in connection with the issuance of indebtedness and
  - (xiv) any other Lien permitted under the terms of the Loan Documents or otherwise consented to, in writing, by the Lender.
- (kk) "person" includes a natural person, a partnership, a joint venture, a trust, a fund, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity.

- (ll) "PPSA" means the *Personal Property Security Act* as in effect from time to time in the Province of Alberta or equivalent legislation as it may apply to the Borrower.
- (lmm) "Priority Claims" means the aggregate of any amounts accrued or payable by the Borrower which under any law may rank prior to or *pari passu* with any of the Security Agreements or otherwise in priority to any claim by the Lender for payment or repayment of any amounts owing under this Agreement, including: (i) wages, salaries, commissions, vacation pay or other remuneration; (ii) pension plan contributions; (iii) amounts required to be withheld from payments to employees or other persons for federal and provincial income taxes, employee Canadian Pension Plan contributions and employee Employment Insurance premiums, additional amounts payable on account of employer Canada Pension Plan contributions and employer Employment Insurance premiums; (iv) harmonized sales tax; (v) provincial sales or other consumption taxes; (vi) rent and other amounts payable in respect of the use of real property; (vii) amounts payable for repair, storage, transportation or construction or other services which may give rise to a possessory or registerable lien; (viii) Workers' Compensation Board and Workplace Safety and Insurance Board and occupational health and safety plan premiums or similar premiums; (ix) claims which suppliers could assert pursuant to Section 81.1 or Section 81.2 of the *Bankruptcy and Insolvency Act* (Canada); and (x) WEPPA Claims.
- (nn) "Property" means the property municipally known as Part NE ¼ 30-37-27 W4 and Part SE ¼ 30-37-27 W4, Red Deer County, Alberta.
- (oo) "Realty Appraisal" has the meaning attributed thereto in Paragraph 2(c) of this Agreement.
- (pp) "related person" has the meaning attributed thereto in Paragraph 17(c) of this Agreement.
- (qq) "Repayment Date" has the meaning attributed thereto in Paragraph 9 of this Agreement.
- (rr) "Report Day" has the meaning attributed thereto in Paragraph 5 of this Agreement.
- (ss) "Security Agreements" means, collectively, the agreements referred to in Paragraph 15 (a) to (l) and any other security granted to the Lender, as security for the obligations of the Borrower under this Agreement and the other Credit Documents, as the same have been or may at any time and from time to time hereafter be amended, restated, supplemented, otherwise modified or replaced.
- (tt) "Statutory Encumbrances" means any Encumbrances arising by operation of Applicable Laws, including, without limitation, for carriers, warehousemen, repairers, taxes, assessments, statutory obligations and government charges and levies for amounts not yet due and payable or which may be past due but which

are being contested in good faith by appropriate proceedings (and as to which there are no other enforcement proceedings or they shall have been effectively stayed).

- (uu) "TD" means The Toronto-Dominion Bank.
- (vv) "Term of this Agreement" means the period from and including the date on which this Agreement is executed to and including the date on which all amounts owing by the Borrower to the Lender hereunder have been paid in full and the Lender has no further obligations hereunder.
- (ww) "Weekly Borrowing Base Report" has the meaning attributed thereto in Paragraph 5 of this Agreement.
- (xx) "WEPPA Claims" means any claims made against the Borrower pursuant to the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1, as the same may be amended, restated or replaced from time to time.

Words importing the singular include the plural thereof and vice versa and words importing gender include the masculine, feminine and neuter genders.

#### 5. FACILITY A LOAN AVAILABILITY:

The maximum amount that shall be available under the Facility A Loan at any time and from time to time will, subject to the maximum amount contemplated in Paragraph 6(c) of this Agreement, be determined by the Lender once each week (or more frequently as determined by the Lender) and will be limited during such week (or other period as aforesaid) in accordance with the following formula (the "Facility A Loan Availability"):

the aggregate of:

- (a) ninety percent (90%) of the net amount of Eligible Insured Accounts Receivable as reflected in its then current Weekly Borrowing Base Report;

PLUS

- (b) ninety percent (90%) of the net amount of Eligible Investment Grade Accounts Receivable as reflected in its then current Weekly Borrowing Base Report;

PLUS

- (c) eighty-five percent (85%) of the net amount of Eligible Accounts Receivable as reflected in its then current Weekly Borrowing Base Report;

LESS the aggregate of:

- (d) the amount of the Facility A Loan then outstanding, together with all other amounts owing by the Borrower to the Lender under this Agreement but excluding any principal amount outstanding but not yet payable in respect of the Facility B Loan and the Facility C Loan (including, without limitation, interest due and owing on the amount of the Loan then outstanding);
- (e) reserves, determined by the Lender in its sole discretion, in respect of actual and/or potential Priority Claims and/or Statutory Encumbrances; and
- (f) any other reserves, determined by the Lender in its sole discretion.

On a Business Day in each week as determined by the Lender (the "Report Day"), prior to 1:00 p.m. ET, the Borrower will provide a report (a "Weekly Borrowing Base Report") to the Lender (in such form as the Lender shall reasonably require) providing, as at the end of the preceding week, a trial balance, a listing of all of the Borrower's accounts receivable, accounts payable, details of any then existing or potential Priority Claims, the amount of the requested Facility A Loan advance to be made hereunder for the week, a proposed list of disbursements and any other information that may be reasonably required by the Lender. The Lender shall, upon receipt of such report, calculate the then existing Facility A Loan Availability and advise the Borrower accordingly.

**6. ADVANCES OF FACILITY A LOAN:**

- (a) Facility A Loan advances to be made hereunder shall be the lesser of the Borrower's requested advance in its Weekly Borrowing Base Report and the then Facility A Loan Availability and will, less any amounts to be deducted therefrom as provided for hereunder, be deposited into the Borrower's Disbursement Account.
- (b) Provided that no Default or Event of Default has occurred and is continuing, and that at the time the advance is to be made the conditions contained in Paragraph 16 of this Agreement have been satisfied, Facility A Loan advances to be made hereunder shall, provided that the request is contained in a Weekly Borrowing Base Report and that such Weekly Borrowing Base Report is received by the Lender prior to 1:00 p.m. ET on the Report Day, be made no later than the close of business on the next Business Day.
- (c) Notwithstanding anything to the contrary contained in this Agreement, Facility A Loan advances shall be made by the Lender only to the extent of the then Facility A Loan Availability as calculated by the Lender, in its sole discretion, and, further, subject to an aggregate maximum to be advanced under this Paragraph 6 by the Lender of Five Million Dollars (\$5,000,000) (including accrued and unpaid interest, owing on the amount of the Loan then outstanding, unpaid fees and expenses and all other amounts owing by the Borrower to the Lender under this

Agreement but excluding any principal amount outstanding but not yet payable in respect of the Facility B Loan and the Facility C Loan.

7. **FACILITY B LOAN AVAILABILITY AND FACILITY C LOAN AVAILABILITY:**

- (a) The maximum amount that shall be available under the Facility B Loan shall be an amount equal to the lesser of:
  - (i) Nineteen Million Dollars (\$19,000,000); and
  - (ii) Ninety percent (90%) of the Equipment Appraisal from time to time.
- (b) The maximum amount that shall be available under the Facility C Loan shall be an amount equal to the lesser of:
  - (i) Four Million Five Hundred Thousand Dollars (\$4,500,000); and
  - (ii) 75% of the Realty Appraisal less the amount of all existing prior encumbrances including, without limitation, real property taxes, all as determined by the Lender from time to time in its discretion.

8. **ADVANCES OF FACILITY B LOAN AND FACILITY C LOAN**

- (a) Provided that no Default or Event of Default has occurred and is continuing, and that at the time the advance is to be made the conditions contained in Paragraph 16 of this Agreement have been satisfied, the Lender shall, upon the execution of this Agreement and receipt of the Equipment Appraisal, satisfactory to the Lender in its sole discretion, advance to the Borrower as a Facility B Loan advance by way of one advance in the aggregate amount of the Facility B Loan amount.
- (b) Provided that no Default or Event of Default has occurred and is continuing, and that at the time the advance is to be made the conditions contained in Paragraph 16 of this Agreement have been satisfied, the Lender shall, upon the execution of this Agreement, advance to the Borrower as a Facility C Loan advance by way of one advance in the aggregate amount of the Facility C Loan amount.

9. **TERM:**

The Loan (together with all accrued interest and all other amounts payable hereunder) shall be repaid in full (and any obligation of the Lender to make advances hereunder shall be permanently cancelled) on demand. If demand has not previously been made by the Lender, the Loan (together with all accrued interest and all other amounts payable hereunder) shall be repaid (and any obligation of the Lender to make advances hereunder shall be permanently cancelled) in full upon the earlier of:

- (a) Twelve (12) months following the date on which the first Loan advance is made hereunder (the "Repayment Date"); or
- (b) The occurrence of an Event of Default.

10. **INTEREST RATE:**

- (a) The Borrower shall pay to the Lender interest on the outstanding principal amount of the Loan at the applicable interest rate set out in this Paragraph 10.
- (b) Interest on the principal amount of the Loan, outstanding from time to time shall be calculated at a rate of eighteen percent (18%) per annum, payable on the last day of each month, which interest shall be calculated daily on the daily closing principal balance owing hereunder in respect of the Loan not in advance, and shall be payable both before and after default and/or judgment as well after as before maturity. Interest calculated as aforesaid shall be payable monthly, on the last Business Day of each month until the full amount outstanding hereunder on account of the Loan have been paid. The first payment of interest hereunder shall be payable on the last Business Day of the month in which the first advance of the Loan occurs computed from the date of such advance.
- (c) Interest on overdue interest payable in respect of the Loan shall be calculated at the rate of twenty-one percent (21%) per annum, shall be compounded monthly and shall be payable on demand.
- (d) Any unpaid costs and expenses and other fees and charges contemplated herein which are not paid when due hereunder shall bear interest calculated at the rate of twenty-one percent (21%) per annum, which interest shall be payable on demand.
- (e) All rates of interest accruing hereunder on all amounts outstanding from and after the first to occur of an Event of Default, the Repayment Date, or demand being made by the Lender, shall be increased by three percent (3%) per annum calculated as aforesaid.
- (f) A certificate of an authorized signing officer of the Lender as to each amount and/or each rate of interest payable hereunder from time to time shall be conclusive evidence of such amount and of such rate, absent manifest error.
- (g) For the purposes of disclosure under the *Interest Act* (Canada), where in this Agreement or in any Security Agreement an annual rate of interest is to be calculated during a leap year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by 366 and divided by 365.
- (h) For greater certainty, whenever any amount is payable under any Credit Document as interest or as a fee which requires the calculation of an amount using a percentage per annum, each party to this Agreement acknowledges and agrees that such amount shall be calculated as of the date payment is due without



application of the "deemed reinvestment principle" or the "effective yield method".

- (i) Notwithstanding any provision to the contrary contained in this Agreement, in no event will the aggregate "interest" (as defined in section 347 of the Criminal Code (Canada)) payable hereunder exceed the effective annual rate of interest on the "credit advanced" (as defined in that section) under this Agreement lawfully permitted under that section and, if any payment, collection or demand pursuant to this Agreement in respect of "interest" (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection or demand will be deemed to have been made by mutual mistake of the Borrower and the Lender and the amount of such payment or collection will be refunded to the Borrower; for the purposes of this Agreement, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of the Loan on the basis of monthly compounding of the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender will be conclusive for the purposes of such determination.

**11. PRINCIPAL PAYMENTS ON ACCOUNT OF THE FACILITY B LOAN AND THE FACILITY C LOAN:**

- (a) Until the earliest of: (a) demand; (b) an Event of Default; and (c) the Repayment Date, the Facility B Loan shall be repayable by way of consecutive equal monthly payments of principal in the amount of One Hundred Thousand Dollars (\$100,000) commencing the last Business Day of the fourth month from the date of this Agreement with a final balloon payment on the Repayment Date.
- (b) At any time and from time to time, upon notice from the Lender on or after receipt by the Lender of any updated Equipment Appraisal, the Borrower shall also make a payment of principal in an amount equal to the difference, if any, by which ninety percent (90%) of the updated Equipment Appraisal is less than the Facility B Loan amount then outstanding (principal and accrued and unpaid interest) to be applied against the Facility B Loan.
- (c) Upon the sale of any Equipment, if permitted by the Lender in its sole discretion, included in the Equipment Appraisal, the Borrower shall also make a payment of principal equal to ninety percent (90%) of the amount of the Equipment Appraisal attributable to such Equipment to be applied against the Facility B Loan.
- (d) Until the earliest of: (a) demand; (b) an Event of Default; and (c) the Repayment Date, the Facility C Loan shall be repayable by way of consecutive equal monthly payments of principal in the amount of Twenty Thousand Dollars (\$20,000) commencing the last Business Day of the fourth month from the date of this Agreement with a final balloon payment on the Repayment Date.

- (e) In the event of a decrease in the fair market value of the Property as determined by the Lender in its sole discretion, the Borrower shall also make a payment of principal in an amount equal to the difference, if any, by which seventy-five percent (75%) of the Realty Appraisal is less than the Facility C Loan amount then outstanding (principal and accrued and unpaid interest) to be applied against the Facility C Loan.

**12. PREPAYMENT:**

Prepayment of the Loan in full (together with all accrued interest and other amounts payable hereunder) is permitted at any time upon payment of a fee of 2% of the authorized amount of the Loan during the period up to and including six months from the date hereof reducing to 1.5% of the authorized amount of the Loan thereafter to and including nine months from the date hereof reducing to 1.25% of the authorized amount of the Loan thereafter. Notwithstanding voluntary prepayment of the Loan in full, the Borrower may thereafter (but only during the Term of this Agreement) request additional Facility A Loan advances hereunder provided that no Default or Event of Default has occurred which is then continuing and that no demand for repayment of the Loan shall have been made by the Lender.

**13. FACILITY FEE:**

The Borrower shall pay a non-refundable facility fee in the amount 1% of the authorized amount of the Loan which fee shall be fully earned at the time of the execution of this Agreement and shall be payable on the earlier of demand, the Repayment Date or the repayment of the Loan.

**14. MAINTENANCE AND MONITORING FEE AND UNUSED LINE FEE:**

- (a) The Borrower shall pay a maintenance and monitoring fee in the amount of Two Thousand Five Hundred Dollars (\$2,500) for each month, or pro-rated for any partial month, until the Loan is repaid in full and any obligation of the Lender to make advances hereunder is permanently cancelled. The aforesaid fee shall be paid monthly on the last Business Day of each month during which such fee is payable, as provided for herein, and upon repayment of the Loan and permanent cancellation of any obligation of the Lender to make advances hereunder in respect of the final month in question.
- (b) The Borrower shall pay an unused line fee for each day of the term in an amount equal to the authorized amount of the Facility A Loan less the amount outstanding for such day in respect of the Facility A Loan multiplied by 1.0% and divided by 365 or 366, as applicable, depending on the actual number of days in the year in respect of the period for which the unused line fee is payable. The unused line fee for each month (except for the month in which the Repayment Date occurs) is payable in arrears on the last day of each calendar month following the initial advance of the Facility A Loan; the final monthly installment of the unused line fee is payable on the Repayment Date. Notwithstanding the foregoing, any unpaid

unused line fee is immediately due and payable on the date that the Facility A Loan is indefeasibly repaid in full.

15. SECURITY:

The Loan shall be evidenced or secured by the following documents, made by the Borrower, which shall be provided contemporaneously with the execution of this Agreement, shall be in form and substance satisfactory to the Lender and shall be supported by all necessary resolutions and opinions (each in form and substance satisfactory to the Lender and the Lender's counsel):

- (a) a demand grid promissory note made by the Borrower to evidence each of the Facility A Loan, Facility B Loan and the Facility C Loan;
- (b) a first ranking, subject to Permitted Encumbrances, security interest in all the assets of the Borrower including machinery and equipment, existing and future, of the Borrower, including intellectual property, trademarks, registered in all appropriate jurisdictions;
- (c) an assignment of insurance from the Borrower covering fire and such other risks (including without limitation public liability insurance) and in such form and amount as the Lender may require in respect of all of the Collateral and in respect of which the Lender is shown as first loss payee;
- (d) an unconditional guarantee from 1711760 Alberta Ltd. secured by a first ranking, subject to Permitted Encumbrances, security interest in all the assets of 1711760 Alberta Ltd. together with a share pledge agreement for all the shares of the Borrower, together with resolutions, powers of attorney and original share certificates;
- (e) an unconditional personal guarantee from Kevin Baumann limited to the principal amount of \$6,000,000 secured by a first charge/mortgage of land over the Property supported by title insurance;
- (f) an unconditional personal guarantee from each of Michael Baumann and Kevin Schmidt limited in the principal amount of \$250,000 each for the liabilities, obligations and indebtedness of the Borrower to the Lender;
- (g) a share pledge agreement from each of Kevin Baumann, Michael Baumann and Kevin Schmidt for all the shares of 1711760 Alberta Ltd., together with resolutions, powers of attorney and original share certificates;
- (h) a subordination, assignment, postponement and standstill of all loans, advances and claims from all shareholders and/or related and affiliated parties of the Borrower in respect of any and all amounts owing to any of them from the Borrower and any security held by them in respect thereof; and

- (l) if applicable, an assignment of the Accounts Receivable Insurance from the Borrower in favour of the Lender.

In addition, the Borrower shall provide the Lender with the following (the "Additional Closing Documents"), in form and substance satisfactory to the Lender:

- (a) such officer's certificates with respect to the Borrower and such legal opinions and other supporting documents as the Lender shall require;
- (b) acknowledgements by such of the landlords of the Borrower and their mortgagees as may be designated by the Lender from time to time of the Lender's security interest in the assets of the Borrower, waivers by such landlords and their mortgagees of any Lien or other claims by such persons to the Borrower's assets and agreements permitting the Lender access to, and a right to remain on, the premises in question to exercise its rights and remedies and otherwise deal with the Borrower's assets; and
- (c) acknowledgements by such of the third party warehousemen, if any, of the Borrower as may be designated by the Lender from time to time of the Lender's security interest in the assets of the Borrower, waivers by such warehousemen of any Liens or other claims by such persons to the Borrower's assets and agreements permitting the Lender access to, and a right to remain on, the premises in question to exercise its rights and remedies and otherwise deal with the Borrower's assets.

The Borrower will from time to time at its expense duly authorize, execute and deliver to the Lender such further instruments and documents and take such further action as the Lender may reasonably request for the purpose of obtaining or preserving the full benefits granted or intended to be granted to the Lender by the Security Agreements and of the rights and remedies therein granted to the Lender, including without limitation, the filing of financing statements or other documents under any Applicable Law with respect to the Liens created thereby. Unless prohibited by Applicable Law, the Borrower authorizes the Lender to file any such financing statement or similar documents without the signature of the Borrower.

The Borrower acknowledges that changes to Applicable Law may require the execution and delivery of different forms of documentation, and accordingly the Lender shall have the right to require that the Security Agreements be amended, supplemented or replaced (and the Borrower shall duly authorize, execute and deliver to the Lender on request any such amendment, supplement or replacement with respect to any of the Security Agreements to which the Borrower is a party): (i) to reflect any change in Applicable Law, whether arising as a result of statutory amendments, court decisions or otherwise; or (ii) to facilitate the creation and registration of appropriate forms of security in all applicable jurisdictions.

16. **CONDITIONS:**

- (a) Each of the following is a condition precedent to the initial Borrowing hereunder:
- (i) The Lender shall have received from all of the secured creditors who have registered against the Borrower pursuant to the PPSA or equivalent legislation, as applicable, and who are listed in Schedule "D" hereto, full and final releases and discharges of such security and such registrations;
  - (ii) The Lender shall have received from all of the secured creditors who have registered against the Borrower pursuant to the PPSA and who are listed in Schedule "E" hereto, acknowledgements in favour of the Lender and its successors and assigns, in a form acceptable to the Lender, specifying the collateral which is the subject matter of such registration in its favour, and confirming that such secured creditor will not take any new security which ranks or purports to rank ahead of the Security Agreements pursuant to such registration;
  - (iii) The Borrower shall have opened a CDN\$ blocked account (the "Blocked Account") at TD and shall have entered into a blocked account agreement in accordance with Paragraph 17 of this Agreement with respect to such account;
  - (iv) The Security Agreements shall have been duly executed and delivered and, where required, registered;
  - (v) The Lender shall have received the Additional Closing Documents;
  - (vi) At or prior to the time the advance in question is to be made, no Default or Event of Default shall have occurred and be continuing;
  - (vii) The Lender shall have completed all of its due diligence investigations and shall, in its sole discretion, be satisfied with the results of same;
  - (viii) The Lender shall have received evidence satisfactory to it that all insurance coverage contemplated in this Agreement is then in place;
  - (ix) The Lender shall have received payment of all fees (including all legal fees of the Lender), expenses and other amounts then payable under the Credit Documents;
  - (x) The Lender shall have received and shall, in its sole discretion, be satisfied with the Borrower's internally prepared financial statements as at January 31, 2014;
  - (xi) There shall not have occurred or become known any Material Adverse Change or any condition or event that could reasonably be expected to

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result in a Material Adverse Change, in each case, since September 30, 2012;

- (xii) No other event shall have occurred that, in the Lender's sole discretion, materially adversely affects or could materially adversely affect either: (i) the business, assets, liabilities, prospects, financial condition or operations of the Borrower, or (ii) the value of the Collateral which is the subject matter of the Security Agreements;
  - (xiii) The Lender shall have received and shall, in its sole discretion, be satisfied with the Equipment Appraisal and the Realty Appraisal; and
  - (xiv) With respect to the above of the Facilities, the Lender shall have received and shall, in its sole discretion, be satisfied with the Borrower's financial projections
- (b) Each of the following is a condition precedent to any subsequent advance to be made hereunder:
- (i) All of the conditions contained in Paragraph 16(a) shall have been satisfied and shall as at the time of the making of the subsequent advance in question continue to be satisfied;
  - (ii) All of the representations and warranties of the Borrower herein are true and correct on and as of such date as though made on and as of such date other than those representations and warranties which relate to a specific date which shall continue to be true as of such date;
  - (iii) No event or condition has occurred and is continuing, or would result from such Borrowing, which constitutes or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or of any Credit Document;
  - (iv) Such Borrowing will not violate any Applicable Law then in effect;
  - (v) No Default or Event of Default shall have occurred and be continuing; and
  - (vi) No other event shall have occurred that, in the Lender's sole discretion, acting reasonably, materially adversely affects or could materially adversely affect either: (i) the business, assets, liabilities, prospects, financial condition or operations of the Borrower, or (ii) the value of the Collateral.
- (c) The making of Borrowings hereunder, without the fulfillment of one or more conditions set forth in Paragraphs 16(a) or 16(b), shall not constitute a waiver of any such condition, and the Lender reserves the right to require fulfillment of such condition in connection with any subsequent Borrowing.

**17. CASH MANAGEMENT SYSTEMS:**

- (a) The Borrower shall establish and shall continue to maintain, at its expense, the Blocked Account at TD into which the Borrower shall promptly deposit all funds received from all sources including, without limitation, all account receivable payments, cash sales receipts, credit card payments, any and all refunds received from any source whatsoever and any proceeds of any advances or other loans made to it and shall direct its account debtors that remit payments by electronic funds transfers to directly remit all payments into the Blocked Account.
- (b) TD and the Borrower shall enter into an agreement ("Blocked Account Agreement"), in form and substance satisfactory to the Lender, acting reasonably, providing that all items received or deposited in the Blocked Account are the property of the Lender, that TD has no Lien upon, or right to setoff against, the Blocked Account, the items received for deposit therein, or the funds from time to time on deposit therein and that TD will wire, or otherwise transfer, in immediately available funds, on a daily basis, all funds received or deposited into the Blocked Account to the Lender's account, as the Lender may from time to time designate for such purpose. The Borrower agrees that all payments made to the Blocked Account or other funds received and collected by the Lender, shall be property of the Lender.
- (c) The Borrower and all of its affiliates, subsidiaries, officers, employees, agents, directors or other persons (a "related person") shall, acting as trustee for the Lender, receive, as the property of the Lender, any monies, cheques, notes, drafts or any other payment which comes into the possession or under the control of the Borrower or, in the case of any related person, comes into its possession or under its control and is rightfully that of the Borrower, and immediately upon receipt thereof where received by the Borrower or upon becoming aware of the receipt thereof where received by a related person, the Borrower shall deposit or shall cause the same to be deposited in the Blocked Account, or remit the same or cause the same to be remitted, in kind, to the Lender. In no event shall the same be commingled with any of the Borrower's own funds. The Borrower agrees to reimburse the Lender on demand for any amounts owed or paid to TD regarding the Blocked Account or any other bank or person involved in the transfer of funds to or from such Blocked Account arising out of the Lender's payments to or indemnification of such bank or person.
- (d) The Lender shall apply amounts received from the Blocked Account to the Loan.
- (e) The Borrower shall make all of its payments and disbursements only from its Disbursement Account.

**18. BORROWER'S REPRESENTATIONS:**

The Borrower represents and warrants, which representations and warranties are deemed to be repeated at the time of each advance hereunder as though made at such time, as follows:

- (a) The Borrower is a corporation existing under the laws of Alberta and has all necessary corporate power and authority to own or lease its property and assets and to carry on its business as now being conducted by it, and to authorize, create, execute, deliver and perform all of its obligations under the Credit Documents in accordance with its respective terms;
- (b) The Credit Documents have been duly authorized, executed and delivered by the Borrower and constitute legal, valid and binding obligations of it enforceable against it in accordance with their respective terms;
- (c) The financing transactions hereunder (i) do not require any material consent or approval of, registration or filing with, or any other action by, any Governmental Entity, except such as have been obtained or made and are in full force and effect, (ii) will not violate in any material respect any Applicable Law and will not violate the charter, by-laws or other organizational or constitutional documents of Borrower or any order of any Governmental Entity, (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower, and (iv) will not result in the creation or imposition of any lien on any asset of the Borrower (other than Permitted Encumbrances);
- (d) The Borrower owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower does not infringe upon the rights of any other person;
- (e) The Borrower maintains, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar business operating in the same or similar locations;
- (f) The Borrower is not in default under any of their respective obligations and there are no actions, suits or proceedings, pending or threatened, against or affecting it;
- (g) The Borrower is in compliance with all laws, regulations and orders of any Governmental Entity applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property;
- (h) The Borrower has good title to its property, free and clear of all Encumbrances other than Permitted Encumbrances;
- (i) The Borrower possesses all licenses and permits necessary to properly conduct its business. Each such license and permit is (i) in full force and effect; and (ii) not



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subject to any dispute. No event has occurred which, with the giving of notice, lapse of time or both, would constitute a default under, or in respect of, any such license or permit;

- (j) The Disclosure Schedule sets forth the commitments of any lender (other than the Lender) for debt for borrowed money, all debt for borrowed money outstanding, of the Borrower and all contracts which are material to the Borrower (the "Material Contracts");
- (k) The Borrower is not aware of any facts or circumstances which would have an adverse impact on the value of the Collateral. The provisions of this Agreement and the other Credit Documents create legal and valid Liens on all the Collateral in favor of the Lender, and such Liens constitute perfected and continuing Liens on the Collateral and have priority over all other Liens on the Collateral except for Permitted Encumbrances;
- (l) As of the date hereof, both before and after giving effect to (a) the financing transactions to be consummated on the date hereof and (b) the payment and accrual of all fees, costs and expenses in connection therewith, the Borrower is and will be solvent;
- (m) As of the date hereof, adequate provision has been made for the payment of all Priority Claims and potential Priority Claims, whether or not payable and whether or not disputed; and
- (n) All information furnished by or on behalf of the Borrower in writing to the Lender in connection with this Agreement or any transaction contemplated hereby, is true and correct and does not omit any fact necessary in order to make such information not misleading. No event or circumstance has occurred which has had or could reasonably be expected to have a material adverse affect on the business, assets or prospects of the Borrower, which has not been fully and accurately disclosed to the Lender in writing.

The representations and warranties in this Agreement and in any certificates or documents delivered to the Lender shall not merge in or be prejudiced by and shall survive any Borrowing and shall continue in full force and effect for the Term of this Agreement.

#### 19. LENDER REPRESENTATIONS:

The Lender represents and warrants as follows:

- (a) The Lender is a corporation existing under the laws of the Province of Ontario and has all necessary corporate power and authority to carry on its business as now being conducted by it, and to authorize, create, execute, deliver and perform all of its obligations under this Agreement; and

(b) This Agreement and each of the documents executed by the Lender in connection with this Agreement has been duly executed and delivered by the Lender and constitutes a legal, valid and binding obligation of the Lender enforceable against it in accordance with its respective terms.

20. COVENANTS:

- (a) The Borrower covenants and agrees with the Lender that:
  - (i) it will (a) keep and maintain all property material to the conduct of its business in good working order and condition (ordinary wear and tear and casualty events excepted), and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations, all of which shall show the Lender as a loss payee;
  - (ii) it will comply with all Applicable Laws;
  - (iii) it shall provide the Lender with online view access to all bank accounts of the Borrower;
  - (iv) it shall pay or cause to be paid, when due (i) all taxes, assessments and governmental charges or levies (including interest and penalties) imposed upon such person or upon such person's income, sales, capital or profit or any other property belonging to such person, and (ii) Priority Claims;
  - (v) it shall keep proper books of record and account, in which full and correct entries shall be made of all of its financial transactions and its assets and business in accordance with GAAP;
  - (vi) it shall retain a full time Chief Financial Officer satisfactory to the Lender on or before April 30, 2014;
  - (vii) it shall promptly cure or cause to be cured any defects in the execution and delivery of any of the Credit Documents or any defects in the validity or enforceability of any of the Security Agreements and at its expense, execute and deliver or cause to be executed and delivered, all such agreements, instruments and other documents as the Lender may consider necessary or desirable for the foregoing purposes; and
  - (viii) at the Borrower's cost and expense, upon reasonable request of the Lender, the Borrower shall execute and deliver to the Lender such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the Lender to carry out more effectually the provisions and purposes of the Credit Documents;

(b) The Borrower covenants and agrees that the Borrower shall not, at any time without the prior written consent of the Lender:

- (i) permit any change of control or any material change in its business or operations;
- (ii) create, grant, assume or permit to exist any Encumbrance (including Priority Claims) on any of their property other than Permitted Encumbrances;
- (iii) sell, assign, lease, transfer or otherwise dispose of any of their assets, other than in the ordinary course of business;
- (iv) dispose of, acquire or establish any subsidiary;
- (v) redeem or repurchase any securities issued by them;
- (vi) declare, make or pay any Distributions;
- (vii) make, directly or indirectly, any payments of management, consulting or other fees for management or similar services, to any of their directors, officers, shareholders or anyone not at arms-length with any of them, except reasonable compensation for services rendered to the Borrower in the ordinary course of business;
- (viii) reimburse any expenses paid or otherwise incurred by anyone, except to the extent that those expenses were incurred in the ordinary course of business and are reasonable in amount;
- (ix) have any place of business or keep or store any material tangible personal property (other than goods that are of a type that are normally used in more than one jurisdiction, if the goods are equipment or inventory leased or held for lease by an obligor to others) outside of those jurisdictions (or registration districts within such jurisdictions) set forth in the Disclosure Schedule (i) except upon 30 days' written notice to the Lender; and (ii) unless the Borrower has done or caused to be done all such acts and things and executed and delivered or caused to be executed and delivered all such deeds, transfers, assignments and instruments (including opinions of counsel to the Borrower) as the Lender may reasonably require such that the Lender, shall continue to have a first priority perfected security interest (whether by way of registration or otherwise and subject only to Permitted Encumbrances) over all of the personal property of such person except where the Lender, acting reasonably, determines that the cost of obtaining such perfected security interest over an asset exceeds the benefit to it of obtaining such security interest;

- (x) enter into or amend or terminate any contract otherwise than in the ordinary course of business or, in respect of those not in the ordinary course of business, having a value over \$100,000;
  - (xi) make any payments or transfer any of their undertaking, properties, rights or assets to any person without due consideration which in any manner diverts, or results or could result in the diversion of, assets and/or opportunities of the Borrower to such other person;
  - (xii) change its name, or the location of its place of business, if it has only one place of business, or its chief executive office without giving the Lender 30 days prior written notice;
  - (xiii) enter into any transaction (whether by way of amalgamation, merger, winding-up, consolidation, reorganization, transfer, sale, lease or otherwise) whereby all or substantially all of their undertaking, properties, rights or assets would become the property of any other person or entity, or in the case of amalgamation, of the continuing corporation resulting therefrom;
  - (xiv) permit the Borrower's insurance coverage, as required in this Agreement, to lapse at any time;
  - (xv) make a payment to any shareholder in respect of any shareholder loan owing to such shareholder or make a payment to any Affiliate in respect of any intercompany loan owing to such Affiliate;
  - (xvi) open or maintain any bank accounts other than the Disbursement Account and the Blocked Account;
  - (xvii) make a loan to or investments in any person, or give guarantees on behalf of any person; or
  - (xviii) incur or repay any indebtedness, other than pursuant to or as otherwise expressly permitted under this Agreement, except for arm's length trade debts, obligations or other liabilities incurred in the ordinary course of business.
- (c) On request by the Lender from time to time, the Borrower shall give Canada Revenue Agency and other Governmental Entities written authorization to disclose to the Lender the status of any Priority Claims. The Borrower hereby grants its consent (such grant to remain in force as long as this Agreement is in effect or any Borrowings are outstanding) to any person having information relating to any potential Priority Claim to release such information to the Lender at any time upon its written request for the purpose of assisting the Lender to evaluate the financial condition of the Borrower.

Notwithstanding the provisions of this Section 20, the Lender hereby consents to the amalgamation of the Borrower and 1711760 Alberta Ltd. within 30 days of the date hereof, provided that the Lender is provided with prior written notice and has received such security and other confirmations as it may require in its sole discretion.

**21. REPORTS:**

The Borrower shall, in a form and manner prescribed by the Lender (which may include by fax and/or e-mail), deliver to the Lender the following, signed by a senior officer of the Borrower:

- (a) Daily, a list of sales, credit notes and cash receipts received by the Borrower from its customers during the preceding day;
- (b) Weekly, a list of total invoiced sales completed during the preceding week, an aged accounts receivable schedule, aged accounts payable schedule, parts inventory schedule, Priority Claims listing and summary trial balance;
- (c) Monthly, by the thirtieth (30<sup>th</sup>) of each calendar month, a monthly compliance certificate in a form satisfactory to the Lender;
- (d) Monthly, by the thirtieth (30<sup>th</sup>) of each calendar month in respect of the preceding month, an aged accounts receivable schedule, aged accounts payable schedule, Priority Claims listing and summary trial balance;
- (e) Monthly, by the thirtieth (30<sup>th</sup>) of each calendar month in respect of the preceding month, internally prepared financial statements for the preceding month and internally prepared financial statements for the year to date with comparisons to the prior year and projections;
- (f) Monthly, by the thirtieth (30<sup>th</sup>) of each calendar month copies of all bank statements for the prior month;
- (g) Monthly, by the thirtieth (30<sup>th</sup>) of each calendar month a copy of most recent realty tax bill in respect of the Property together with proof of payment of installments billed to date;
- (h) Annually, no later than thirty (30) days prior to the end of the Borrower's financial year, financial and business projections for the following financial year;
- (i) Annually, within one hundred and twenty (120) days of the Borrower's financial year end in respect of the preceding financial year, audited financial statements for the Borrower that were prepared by external auditors;
- (j) Such additional financial information with respect to Borrower as and when requested by the Lender; and

- (k) Forthwith, particulars of any occurrence which constitutes an Event of Default hereunder or of any action, suit or proceeding, pending or to the Borrower's knowledge threatened against the Borrower.

**22. FIELD EXAMINATIONS/APPRAISALS:**

- (a) The Borrower acknowledges that the Lender and its examiners shall be permitted to conduct periodic field examinations of the Collateral and operations of the Borrower (not to exceed four (4) in any calendar year prior to a Default or Event of Default which is continuing and more frequently as the Lender may determine in its sole discretion thereafter).
- (b) The Borrower further acknowledges that the Lender shall be permitted to obtain equipment valuations (not to exceed two (2) in any calendar year prior to a Default or Event of Default which is continuing and more frequently as the Lender may determine in its sole discretion thereafter). For greater certainty, such equipment valuations shall be completed by any of Hilco, Assets Services, Corporate Assets or Gordon Brothers as determined by the Lender in its sole discretion provided that after a Default or Event of Default, the Lender shall be at liberty to use the appraiser of its choosing.
- (c) The Borrower and the Guarantors acknowledge that the Lender shall be permitted to obtain real property valuations (not to exceed one (1) in any calendar year prior to a Default or Event of Default which is continuing and more frequently as the Lender may determine in its sole discretion thereafter) in respect of the Property.

**23. EXPENSES:**

- (a) The Borrower agrees to pay on demand all legal and other professional fees and disbursements and all expenses in respect of the Loan, the preparation and issuance of the Credit Documents, the conduct by the Lender of its due diligence, ongoing monitoring by the Lender of the Loan, the enforcement and preservation of the Lender's rights and remedies, discharge of the Security Agreements, all appraisals and field examinations contemplated in Paragraph 22, insurance consultation and similar fees and all other fees and disbursements of the Lender, whether or not any funds are advanced under the Loan.
- (b) The Borrower shall indemnify and hold the Lender and each of its officers, directors, employees and agents (each an "Indemnified Person") harmless from, and shall pay to such Indemnified Person on demand any reasonable amounts required to compensate the Indemnified Person for, any claim or loss suffered by, imposed on, or asserted against, the Indemnified Person as a result of, connected with or arising out of (i) conducting a due diligence investigation of the operations and undertakings of the Borrower, (ii) the preparation, execution and delivery of, preservation of rights under, enforcement of, or refinancing, renegotiation or restructuring of, the Credit Documents and any related amendment, waiver or consent; (iii) any advice of counsel as to the rights and

duties of the Lender with respect to the administration of the Loan, the Credit Documents or any transaction contemplated under the Credit Documents; (iv) a default by the Borrower hereunder and any enforcement proceedings relating to any of the Credit Documents; (v) any proceedings brought against the Indemnified Person due to the Lender entering into any of the Credit Documents, performing its obligations under the Credit Documents, providing any Borrowing or any use of any Borrowing by the Borrower; provided that the Borrower shall have no obligation to indemnify any Indemnified Person for any of the foregoing to the extent determined by a judgment of a court of competent jurisdiction to have arisen from such Indemnified Person's gross negligence, willful misconduct or fraud or default by the Lender or such other Indemnified Person under any of the Credit Documents or breach of Applicable Law by the Lender or such other Indemnified Person,

- (c) The provisions of this Paragraph 23 shall survive the termination of this Agreement, the repayment of all amounts owing hereunder and the cancellation of the Loan.

**24. EVENTS OF DEFAULT:**

Without limiting any other rights of the Lender under this Agreement, if any one or more of the following events (herein an "Event of Default") has occurred and is continuing:

- (a) the Borrower fails to pay when due, whether on demand or at a fixed payment date, by acceleration or otherwise, any payment of interest, principal, fees, commissions or other amounts payable to the Lender;
- (b) there is a breach by the Borrower or any other person of any term or condition contained in any Credit Document or in any other agreement with the Lender to which any of them is a party and such breach continues for ten (10) days after the Borrower shall have received written notice of same;
- (c) any default occurs under any other credit, loan or security agreement to which the Borrower is a party and such breach continues for ten (10) days after the Borrower shall have received written notice of same;
- (d) a petition, case or proceeding under the bankruptcy laws of Canada or similar laws of any foreign jurisdiction now or hereafter in effect or under any insolvency, arrangement, reorganization, moratorium, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at law or in equity) is filed or commenced against the Borrower or all or any part of its properties and such petition or application is not dismissed within thirty (30) days after the date of its filing or the Borrower shall file any answer admitting or not contesting such petition or application or indicates its consent to, acquiescence in or approval of, any such action or proceeding or the relief requested is granted sooner;

- (e) the Borrower does not deposit funds from any source into the Blocked Account or deposits any funds from any source into an account other than the Blocked Account;
- (f) any judgment for the payment of money is rendered against the Borrower in excess of \$250,000 and shall remain undischarged or unvacated for a period in excess of thirty (30) days or execution shall at any time not be effectively stayed;
- (g) a Material Adverse Change shall have occurred since the date of this Agreement;
- (h) any audited financial statements of the Borrower are qualified in any respect by the Borrower's independent auditors;
- (i) a receiver is appointed over any property of the Borrower or any judgment or order or process of any court becomes enforceable against the Borrower or any property of the Borrower or any creditor takes possession of any property of the Borrower;
- (j) the Borrower makes a payment to any Affiliate in respect of any loan owing to such Affiliate, except as otherwise permitted hereunder;
- (k) any course of action is undertaken by the Borrower which would result in its reorganization, amalgamation or merger with another entity or the transfer of all or substantially all of its assets;
- (l) any Security Agreement is or becomes illegal, invalid, prohibited or unenforceable and/or ceases to rank in the priority contemplated herein against the property charged thereunder;
- (m) any Material Contract terminates, expires or ceases to be legal, valid, binding and enforceable or if the Borrower breaches a Material Contract;
- (n) any representation or warranty made by the Borrower in any Credit Document or in any certificate or other document delivered to the Lender in connection herewith is false or misleading in any material respect; or
- (o) in the opinion of the Lender, any adverse change has occurred in the financial condition or business of the Borrower which may impair its ability or willingness to perform any of its obligations to the Lender or the Lender considers the security held to secure the Loan to be in jeopardy or the Lender considers itself insecure;

then, in such event, the ability of the Borrower to make further Borrowings under this Agreement shall immediately terminate and the Lender may, by written notice to the Borrower, declare the Borrowings outstanding hereunder to be immediately due and payable. Upon receipt of such written notice, the Borrower shall immediately pay to the Lender all Borrowings outstanding under this Agreement and all other obligations of the Borrower to the Lender in connection therewith.



Upon a declaration that the Borrowings outstanding hereunder are immediately due and payable pursuant to this Paragraph 24, the Lender may commence such legal action or proceedings as the Lender in its sole discretion deems expedient, including the commencement of enforcement proceedings under the Credit Documents, all without any additional notice, presentation, demand, protest, notice of dishonour, entering into of possession of any property or assets, or any other action or notice, all of which are expressly waived by the Borrower.

The rights and remedies of the Lender under the Credit Documents are cumulative and are in addition to, and not in substitution for, any other rights or remedies.

25. GENERAL:

- (a) The Security Agreements contain covenants, representations, warranties and events of default to which the Borrower shall be bound, in addition to any covenants, representations, warranties and events of default herein contained.
- (b) The terms and conditions of this Agreement shall not be merged in, and shall survive, the execution of the Credit Documents. In the event of any conflict or inconsistency between any provision of this Agreement and any of the other Credit Documents, the provisions of this Agreement shall govern and prevail.
- (c) All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile transmission addressed to such other party or delivered to such other party as follows:
  - (i) to the Borrower at:
 

P.O. Box 47  
Bentley, AB T0C 0J0

Attention: Kevin Baumann

Facsimile: 403.264.5455
  - (ii) to the Lender at:
 

Suite 4320, Royal Trust Tower  
77 King Street West  
Toronto, ON M5K 1K2

Attention: COO

Facsimile: 416.941.9876

or at such other address or facsimile number as may be given by any of them to the others in writing from time to time and such notices, requests, demands or

other communications shall be deemed to have been received when delivered, or, if sent by facsimile transmission, on the date of transmission unless sent on a day which is not a Business Day or after 5:00 p.m. (local time of the recipient) on a Business Day, in which case it shall be deemed to have been received on the next Business Day following the day of such transmission.

- (d) The benefit of this Agreement may not be assigned by the Borrower.
- (i) The Lender may in its sole discretion and at its expense arrange for the funding or assignment of all or part of the Loan (whether directly or indirectly), either at the time of the initial advance hereunder or from time to time thereafter, to one or more other persons (which may or may not be affiliated with the Lender). Without limiting the foregoing, the Lender may, at any time and without the consent of the Borrower, assign the whole or any part of its rights and obligations pursuant to this Agreement or any of the Security Agreements or other Credit Documents to any person. The Borrower agrees, at the expense of the Lender (other than the Borrower's reasonable legal fees and expenses) to enter into all such documents and assurances as may be necessary to facilitate same.
- (ii) The Lender may disclose to potential or actual assignees confidential information regarding the Borrower (including, any such information provided by the Borrower to the Lender); provided that such potential or actual assignee agrees to keep such confidential information confidential and use it solely for evaluation of an assignment or the administration of this Agreement and the other Credit Documents. The Lender shall not be liable for any disclosure of confidential information made pursuant to this Paragraph 25(d).
- (e) Any and all payments made at any time in respect of the Loan or any other obligation hereunder and the proceeds realized from any security held therefor may be applied (and reapplied from time to time notwithstanding any previous application) to such part or parts of the indebtedness of the Borrower as the Lender sees fit.
- (f) Time shall be in all respects of the essence hereof.
- (g) Any provision of this Agreement which is invalid or unenforceable under the laws of any jurisdiction in which this Agreement is sought to be enforced shall, as to such jurisdiction and to the extent such provision is invalid or unenforceable, be deemed severable and shall not affect any other provision of this Agreement.
- (h) In no event shall the interest and all other charges provided for hereunder exceed the maximum aggregate amount that the Lender may collect in compliance with Applicable Law. Notwithstanding anything to the contrary herein contained, if at any time implementation of any provision hereof results in a payment in

contravention of the preceding sentence, the amount of the excess shall be applied as a partial prepayment of principal.

- (i) The Lender will not be considered to have waived compliance with or amended any part of this Agreement or any obligations of the Borrower hereunder or under any other document unless such waiver or amendment is specifically set out in writing. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given. The Lender shall not be deemed to have waived compliance with any obligation of the Borrower simply because it does not exercise any of its rights or remedies immediately upon the occurrence of a breach thereof.
- (j) No representation or warranty or other statement made by the Lender concerning the Loan shall be binding on the Lender unless made by it herein or in writing as a specific amendment to this Agreement.
- (k) The Lender's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender.
- (l) All financial or accounting determinations, reports and statements provided for in this Agreement shall be made or prepared in accordance with GAAP applied in a consistent manner.
- (m) The Borrower consents to the obtaining from any credit reporting agency or from any person or entity of such information as the Lender may require at any time, and consent to the disclosure at any time of any information concerning the Borrower to any credit grantor with whom the Borrower has financial relations or to any credit reporting agency.
- (n) This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.
- (o) This Agreement shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.
- (p) The Borrower and the Lender irrevocably consent and submit to the exclusive jurisdiction of the Ontario Superior Court of Justice and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Security Agreements or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or any of the other Security Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts

described above (except that Lender shall have the right to bring any action or proceeding against the Borrower or its property in the courts of any other jurisdiction which Lender deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against the Borrower or its property).

- (q) Except as otherwise expressly provided herein, all dollar amounts herein are in Canadian Dollars.
- (r) This Agreement together with any schedules, encompasses the entire agreement among the parties hereto and supersedes all previous understandings and agreements among the parties hereto, whether oral or written, including, but not limited to, the term sheet dated January 7, 2014, among the parties hereto.
- (s) The parties hereto confirm that this Agreement and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande*

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

If the arrangements set out in this Agreement are acceptable to you, please sign the enclosed copy of this Agreement in the space indicated below and return the letter to us.

Yours very truly,

**CALLIDUS CAPITAL CORPORATION**

Per: *D. Reese*  
Name: David Reese  
Title: Chief Operating Officer

Per: *James Riley*  
Name: James Riley  
Title: Director and Secretary

We have authority to bind the Corporation.

The arrangements set out above are hereby acknowledged and accepted as of this 31<sup>st</sup> day of March, 2014.

**ALKEN BASIN DRILLING LTD.**

Per: \_\_\_\_\_  
Name: Kevin Baumann  
Title: President

I have authority to bind the Corporation.

**1711760 ALBERTA LTD.**

Per: \_\_\_\_\_  
Name:  
Title: President

I have authority to bind the Corporation.

If the arrangements set out in this Agreement are acceptable to you, please sign the enclosed copy of this Agreement in the space indicated below and return the letter to us.

Yours very truly,

**CALLIDUS CAPITAL CORPORATION**

Per: \_\_\_\_\_  
Name: David Reese  
Title: Chief Operating Officer

Per: \_\_\_\_\_  
Name: James Riley  
Title: Director and Secretary

We have authority to bind the Corporation.

The arrangements set out above are hereby acknowledged and accepted as of this 31<sup>st</sup> day of March, 2014.

**ALKEN BASIN DRILLING LTD.**

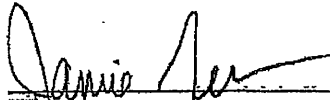
Per: \_\_\_\_\_  
Name: Kevin Baumann  
Title: President

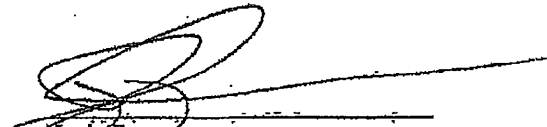
I have authority to bind the Corporation.

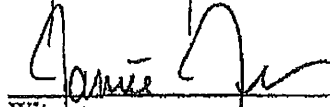
**1711760 ALBERTA LTD.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: President

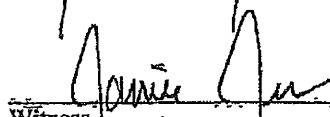
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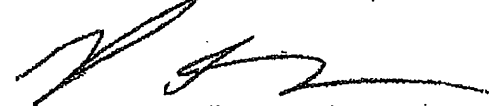
  
Witness

  
Kevin Baumann

  
Witness

  
Michael Baumann

  
Witness

  
Kevin Schmidt

**SCHEDULE A - DISBURSEMENT ACCOUNTS**

Cdn\$ Account #10252-004-0680-5274703 (disbursement)  
#10252-004-0680-5274711 (blocked)

With - Bank Transit #10252 (Branch) 004 (Institution)  
TD Canada Trust  
Commercial Banking Centre  
55 King ST. W & Bay ST.  
Toronto, ON. M5K 1A2

**SCHEDULE B - DISCLOSURE SCHEDULE**

*(A) BORROWED MONEY*

Nancy Hoover (\$400,000)

Hilda Bakuska (\$200,000)

Bradley Bakuska (\$200,000)

*(B) COLLATERAL LOCATIONS*

Part NE ¼ 30-37-27 W4 and Part SE ¼ 30-37-27 W4, Red Deer County, Alberta.

**SCHEDULE C - PERMITTED ENCUMBRANCES**

*(A) BORROWER*

Serial Number	Company	Amount	Per	Payment Type
1FTW1ET8CKD71885	FORD CREDIT	853.55	month	auto
1FTFW1ET8CKD86547	FORD CREDIT	765.51	month	auto
1FTFW1ETXCKD86551	FORD CREDIT	765.51	month	auto
1FTFW1ET2CKD71879	FORD CREDIT	765.51	month	auto
1FTFW1R66CFB15077	FORD CREDIT	1413.45	month	auto
54PSE4516BL056723	GE CAPITAL	636.84	month	auto
2P9LB22D4Y1061151				
1XKCDBOX87R992716				
06030533PN				
07020793	GE CAPITAL	4129.01	month	auto
1JJF533W53K837548	CAMEX EQUIPMENT	2047.5	month	Check
			Bi-	
1D7RV1CT2AS201494	MICHAEL M BAUMANN	318.86	weekly	Check
4WYS48N2781715164	MICHAEL M BAUMANN	259.82	month	Check
Phones	FIRST CAPITAL LEASING	373.94	MONTH	auto



Base Reg. Number	Reg. Date	Secured Party(ies)	Debtor(s)	Summary of Collateral Description
13030137309	March 1, 2013	Ford Credit Canada Limited	Alken Basin Drilling Ltd.	<u>Vehicle Collateral:</u> 1FTFW1ETXCKD86551 2012 FORD F150 <u>General Collateral:</u> n/a.
13030137322	March 1, 2013	Ford Credit Canada Limited	Alken Basin Drilling Ltd.	<u>Vehicle Collateral:</u> 1FTFW1ET8CKD86547 2012 FORD 150 <u>General Collateral:</u> n/a
13030137615	March 1, 2013	Ford Credit Canada Limited	Alken Basin Drilling Ltd.	<u>Vehicle Collateral:</u> 1FTFW1ET2CKD71879 2012 FORD F150 <u>General Collateral:</u> n/a
13031901158 (as amended by reg. no. 13032219584)	March 19, 2013	GE Canada Equipment Financing G.P.	Alken Basin Drilling Ltd.	<u>Vehicle Collateral:</u> 2P9LB22D4Y1061151 2000 Utility Custom Trailer 1XKCDB0X87R992716 2007 Kenworth Sleeper 2006 Frost Fighter 0VH350LP NG 06030533FN 2007 Frost Fighter 0HV35011 07020793 <u>General Collateral:</u> The goods described herein, wherever situate, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables, and chattel paper derived from or evidencing the lease or rental thereof by the debtor to third parties. All proceeds.

13112538290	November 25, 2013	Camex Equipment Sales & Rentals Inc.	Alken Basin Drilling Ltd.	<u>Vehicle Collateral:</u> 1JJF533W53K837548 2003 Wabash 53' Tridem StepDec Trailer <u>General Collateral:</u> n/a
14031410838	March 14, 2014	GE Canada Equipment Financing G.P.	Alken Basin Drilling Ltd.	<u>Vehicle Collateral:</u> 54PSE4516BL056723 2011 DRAGON GRIZZLY 500 BBL <u>General Collateral:</u> MV 2011, 54PSE4516BL506723, DRAGON GRIZZLY 500 BBL, S/A FRAC TANK
14031817843	March 18, 2014	Gregg Distributors	Alken Basin Drilling Ltd.	<u>General Collateral:</u> AER 13801155, S/N 04- 0289 (1) AER FT138024 (1) AER FT1330XL
13121019755	December 10, 2013	Nancy Hoover Hilda Bakuska Bradley Bakuska	Alken Basin Drilling Ltd.	All present and after acquired personal property of the debtor

(B) 1711760 ALBERTA LTD.

Base Reg. Number	Reg. Date	Secured Party(ies)	Debtor(s)	Summary of Collateral Description
13020101588	February 1, 2013	Ford Credit Canada Limited	1711760 Alberta Ltd. Kevin Lyle Baumann	<u>Vehicle Collateral:</u> 1FTFWIET8CKD71885 2012 FORD F150 <u>General Collateral:</u> n/a
13020509204	February 5, 2013	Ford Credit Canada Limited	1711760 Alberta Ltd. Kevin Lyle Baumann	<u>Vehicle Collateral:</u> 1FTFW1R66CFB15077 2012 FORD F150 <u>General Collateral:</u> n/a

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**SCHEDULE D - CREDITORS PROVIDING DISCHARGES**

Servus Credit Union Ltd.

1208823 Alberta Ltd.

Royal Bank of Canada

Nancy Hoover (as to \$1,500,000 debenture)

**SCHEDULE E - PRIOR CREDITOR ACKNOWLEDGMENTS**

Nil

**SCHEDULE F - MATERIAL CONTRACTS**

Conocophillips Canada Resources Corp. - November 21, 2013

MacKay Operating Corp. - August 23, 2013

Shell Canada Energy - January 31, 2014

Vermilion Resources Partnership - November 12, 2013

Lease Agreement for Bentley, Alberta - February 1, 2013

Lease Agreement for Calgary Office - June 26, 2013

**SCHEDULE G - EQUIPMENT - also add HICO**

**SERIAL NUMBERED GOODS**

	<b>MODEL/MANUFACTURER/EQUIPMENT</b>	<b>VEHICLE IDENTIFICATION NO./ SERIAL NO.</b>
1.	2006 PETERBILT 379 TANDEM AXLE	VIN: 1NPAL40X57D661602
2.	1994 MACK ED688S TANEM AXLE TRUCK CHASSIS	VIN: 1M2P270Y7RW016902 WR10
3.	2004 TANDEM AXLE WESTERN STAR TRUCK CHASSIS	VIN: 5KKHALCK65PU01483
4.	2002 STERLING TANDEM AXLE TRUCK	VIN:

	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
		2FZHAZC692AK12757
5.	1993 MACK CL653 ELITE TANDEM AXLE TRUCK	VIN: 1M2AD27Y1PW001063
6.	RIG 708 DRILL CARRIER - SCHRAMM T130XD DRILLING RIG MOUNTED ON CARRIER	VIN: 1CYDGV6897T047574
7.	8'W X 48'L DRILL TRAILER	S/N: CV2716763
8.	2004 INTERNATIONAL MODEL 5600I8X6, SINGLE STEER X TRI-DRIVE TRUCK	VIN: 1HTXSAPT44J094479 R308
9.	2000 INTERNATIONAL MODEL 50006X4, SINGLE STEER X TAN DRIVE TRUCK	VIN: 1HTTGADR8YJ065940 R401
10.	2005 INTERNATIONAL MODEL 5600I6X8, TANDEM STEER X TRI-DRIVE	VIN: 1HTXSAPT85J153082 R 402
11.	INTERNATIONAL MODEL 5600I6X8, TANDEM STEER X TRI-DRIVE TRUCK	S/N: 1HTXSAPT96J22304 R403
12.	CAPACITY INTERNATIONAL MODEL 5600I6X8, TANDEM STEER X TRI-DRIVE TRUCK	S/N: 1HTXSAST94J092640 R517
13.	PETERBILT MODEL 357, TANDEM STEER X TANDEM DRIVE TRUCK	VIN: 1NPALB0X3XD510505 R508
14.	VOLVO SINGLE STEER X TANDEM DRIVE TRUCK	VIN: 4V1WDBRH7LN624065 BTM101
15.	INTERNATIONAL MODEL 5600I6X8, SINGLE STEER X TRI-DRIVE TRUCK	S/N: 1HTXSAST23J073829 R515
16.	INTERNATIONAL MODEL 5600I8X6, SINGLE STEER X TRI-DRIVE TRUCK	S/N: 1HTXTAPT96J223302 R516

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	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
17.	INTERNATIONAL MODEL 560018X6, TANDEM STEER X TRI-DRIVE TRUCK	S/N: 1HTXSAPT55J035183 R501
18.	[CRANE MODEL RD20-R3, TANDEM STEER X TRI-DRIVE CARRIER, POWERED BY CAT C13 DIESEL ENGINE RATED AT 475-HP UNITIZED WITH 5-SPEED MANUAL TRANSMISSION, TRUCK IS MOUNTED ON (1) 37,103-LB. FRONT AXLES AND (3) 81,103-LB REARS] [PLEASE PROVIDE DESCRIPTION OF TRUCK IN ITEM 18 OF THE APPRAISAL.]	VIN: 1CYDGV5894T046597 R701
19.	MACK MODEL CV713, SINGLE STEER X TRI-DRIVE TRUCK	VIN: 1M2AG10C15M016591 R703
20.	INTERNATIONAL MODEL 500006X4, SINGLE STEER X TANDEM DRIVE TRUCK	VIN: 1HTTGAET5WJO33163 R705
21.	FREIGHTLINER MODEL STERLING, SINGLE STEER X TANDEM DRIVE TRUCK	VIN: 2FZHAZCG92AK12757 R707
22.	INTERNATIONAL MODEL 590018X6, SINGLE STEER X TRI-DRIVE TRUCK	VIN: 1HTXTAPT46J254389 R709
23.	2009 RAJA 52' TRI-AXLE STEP DECK TRAILER	VIN: 2R9CS43389D144640
24.	2006 RAJA 50' STEP DECK TRAILER	VIN: 2R9CS42256D144132
25.	1985 HOMEMADE TRI-AXLE STEP DECK TRAILER	VIN: HMPL5ONT5284842
26.	2002 DOEPKER 42' TRI-AXLE DROP DECK TRAILER	VIN: 2DEDDFZ3421014012
27.	2006 MANAC 53' TRI-AXLE DROP DECK TRAILER	VIN: 2M513161X61108574
28.	2006 STEP DECK TRAILER	VIN: 10198TC1

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	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
29.	2001 TRAILTECH FLAT DECK TANDEM AXLE DUAL WHEEL TRAILER	VIN: 2CU3BAXL512009063
30.	2006 RAJA STEP DECK TRI-AXLE DUAL WHEELED APPROX. 40'L TRAILER	VIN: 2R9CS43326D144130
31.	2006 MANAC 53' TRI-AXLE STEP DECK TRAILER	VIN: 2M513161461108571
32.	2005 MANAC 53' TRI-AXLE STEP DECK TRAILER	VIN: 2M512146851100277
33.	1996 MANAC 53' TRI-AXLE STEP DECK TRAILER	VIN: 2M5131611T1040516
34.	2003 MACK MODEL CV713, SINGLE STEER TANDEM DRIVE REAR AXLE TRUCK	VIN: AG11Y03M006075
35.	1985 KENWORTH MODEL T801, SINGLE STEER TANDEM DRIVE REAR AXLE TRUCK	VIN: HS11439
36.	2008 STERLING MODEL LT9500, SINGLE STEER TANDEM DRIVE REAR AXEL TRUCK	VIN: 2FZHAZDE98AZ69390
37.	2008 STERLING MODEL LT9500, SINGLE STEER TANDEM DRIVE REAR AXEL TRUCK	VIN: 2FZHAZDEX8AZ83105
38.	1997 KENWORTH MODEL T800, SINGLE STEER TANDEM DRIVE REAR AXLE TRUCK	VIN: 1XKDP90X3VR947443
39.	2008 STERLING MODEL LT9500, SINGLE STEER TANDEM DRIVE REAR AXEL TRUCK	VIN: 2FZHAZDE88AZ83104
40.	2008 STERLING MODEL LT9500, SINGLE STEER TANDEM DRIVE REAR AXEL TRUCK	VIN: 2FZHAZDE68AZ83103
41.	2008 STERLING MODEL LT9500, SINGLE STEER TANDEM DRIVE REAR AXEL TRUCK	VIN: 2FZHAZDE48AZ83102
42.	2006 MASTCO TRI AXLE DUAL WHEEL TRAILER	S/N: VAC-08472-2792
43.	2004 GREAT DANE STEM DECK DUAL WHEEL TANDEM AXLE TRAILER	S/N: 1GRDM06264M700463
44.	1994 DORSEY TRI AXLE TRAILER	VIN: 1DTE16236RP032935
45.	2000 FALCON MODEL TD210, DUAL WHEEL TRI AXLE TRAILER	S/N: 2F9T340H5Y6056622

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	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
46.	LOCKING STORAGE ROOM AND RUFFNECK WASHROOM	SIN: 124010005ARROW5
47.	2001 QA INC. STRUCTURES WELLSITE 12'W X 56'L TOOL PUSHER/CREW QUARTERS	S/N: SW12561100024
48.	1994 ROADWAY WELLSITE 12'W X 48'L TOOL PUSHER/CREW QUARTERS	S/N: 402896
49.	1997 QA INC. WELLSITE 12'W X 56'L TOOL PUSHER/CREW QUARTERS	S/N: LSW12410897131
50.	2006 ROUGHNECK TRAVEL TRAILER	VIN: 2TTNT30046R060638
51.	1997 TRAVEL AIR KOACH ROUGHNECK TANDEM AXLE FIFTH WHEEL TRAVEL TRAILER	VIN: 2TTNW2801WR980166
52.	1999 TRAVEL AIR ROUGHNECK TANDEM AXLE TRAVEL TRAILER	VIN: 2TTNT300XXR990996
53.	2007 DODGE MODEL R VISION TYPE D-291, TANDEM AXLE TRAVEL TRAILER	S/N: RWYS48N276175164
54.	2006 RAJA TRI-AXLE STEP DECK TRAILER	VIN: 2R9CS43346D144131
55.	2007 VICTORY RIG FLAT DECK TRAILER	S/N: 2E9DPZ2J57R073033
56.	1989 ITB MODEL ITB896196, 35' DUAL WHEEL TANDEM AXLE TRAILER	S/N: 2C9DE44D3K2044013
57.	MANUFACTURER UNKNOWN SINGLE WHEEL TANDEM AXLE TRAILER	S/N: SK401001547
58.	1999 TRAVEL AIR TRAILER	S/N: 2TTNOVAT2XR990729
59.	1982 HOMEMADE DOGHOUSE TRAILER	S/N: R19866 DT047
60.	2007 FALCON MODEL TD 215, FLAT DECK TRAILER	S/N: 2F9T332H476056620
61.	2007 FALCON MODEL TD 215, FLAT DECK TRAILER	S/N: 2F9T332H676056621
62.	2007 FALCON MODEL TD 215, FLAT DECK	S/N:

	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
	TRAILER	2F9T332H876056622
63.	2007 FALCON MODEL TD 215, FLAT DECK TRAILER	S/N: 2F9T332H176056623
64.	2007 VICTORY RIG FLAT DECK TRAILER	S/N: 2E9DPZ2J07R073030
65.	2007 VICTORY RIG FLAT DECK TRAILER	S/N: 2E9DPZ2J17R073031
66.	2007 VICTORY RIG FLAT DECK TRAILER	S/N: 2E9DPZ2J37R073032
67.	VICTORY RIG FLAT DECK TRAILER	S/N: 2E9DPZ2J77R073034
68.	1998 MACK MODEL CH613, SINGLE STEER TANDEM TRUCK	VIN: 1M1AA18Y8WW091462
69.	TRAILTECH FLAT DECK TRAILER	S/N: 2CU2BE8L642015069 FD256
70.	1975 LINDEN TANDEM AXLE TRAILER	S/N: W7915/3
71.	2001 CENTR 20' X 8' TRAILER	S/N: 5CNHF20201C00129
72.	DUAL WHEEL TRI AXLE FLAT DECK TRAILER	N/A - DO NOT INCLUDE IN REGISTRATION
73.	1995 MACK MODEL 4964F, TANDEM AXLE TRUCK	VIN: 2WKPDCCH5SK938682
74.	TANDEM AXLE TRAILER CHASSIS WITH 6-HAND CRANK JACK STANDS, WITH 150-KW DIESEL GENERATOR	S/N: 13N145207M1552772 FD226
75.	1990 GMC TANDEM AXLE TRUCK BOILER GENERATOR	VIN: 4V1WDBRH7LN624065
76.	1986 WESTERN STAR TANDEM AXLE TRUCK BOILER GENERATOR	VIN: 2WKPDCVGIGK915699
77.	1990 MACK MODEL 6964F, TANDEM TRUCK BOILER GENERATOR	VIN: 2WLTCCCH9MK928575



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	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
78.	1994 MACK MODEL R600, DUAL AXLE TANDEM TRUCK BOILER GENERATOR	VIN: 1M2AA13Y7RW040445
79.	1994 MACK MODEL R600, DUAL AXLE TANDEM DRIVE TRUCK	VIN: 1M2P267C3RM020532
80.	1998 FORD MODEL 9000, TANDEM AXLE TRUCK	VIN: 1FDZS86F7WVA24640
81.	1998 WESTERN STAR MODEL 4864FX, TANDEM AXLE TRUCK	VIN: 2WKNDDXH7WK951646
82.	1993 WESTERN STAR MODEL 4964F, TANDEM AXLE TRUCK	VIN: 2WLPDCXH8PK2931500
83.	1980 PACIFIC MODEL P510S, HIGH CLEARANCE BED TRUCK	VIN: T7960139
84.	1999 WESTERN STAR MODEL 4964SX, TANDEM AXEL WINCH TRUCK	VIN: 2WKPDDCJ5XK956258
85.	2006 INTERNATIONAL MODEL 75006X4 WATER TRUCK	VIN: 1HTWPAZT76J347162
86.	2006 INTERNATIONAL MODEL 75006X4 WATER TRUCK	VIN: 1HTWNAZR16J229635
87.	2005 INTERNATIONAL MODEL 9900I6X4, TANDEM AXLE TRUCK	VIN: 2HSCHARP55C048696
88.	INTERNATIONAL MODEL 9900I6X4, TANDEM AXLE TRUCK	VIN: 2HSCHAPR55C213243
89.	2005 INTERNATIONAL MODEL 9900I6X4, TANDEM AXLE TRUCK	VIN: 2HSCHAPR85C080638
90.	2005 INTERNATIONAL MODEL 9900I6X4, TANDEM AXLE TRUCK	VIN: 2HSCHAPR75C213244
91.	2006 INTERNATIONAL MODEL 9900I6X4, TANDEM AXLE TRUCK	VIN: 2HSCHAPR16C328671
92.	2005 INTERNATIONAL MODEL 4400, SINGLE AXLE PUMP SERVICE TRUCK	VIN: 1HSMKAAN55H115849
93.	2006 GMC MODEL C5500, SINGLE AXLE PUMP SERVICE TRUCK	VIN: 1GDE5C3226F417966
94.	1998 MACK MODEL RD688S, TANDEM AXLE RIG TENDER TRUCK	VIN: 1M2P267C4WM037450

	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
95.	1998 INTERNATIONAL PAYSTAR MODEL 5000, TANDEM AXLE RIG TENDER TRUCK	VIN: 1HTTGAET1WJ000077
96.	1998 MACK MODEL RD688S, TANDEM AXLE CRANE TRUCK	VIN: 1M2P270C4WM037366
97.	1991 KENWORTH MODEL C500-B, TANDEM AXLE WINCH TRUCK	VIN: 2XKCD80X8MM927223
98.	1998 MACK MODEL RD688S, TANDEM AXLE RIG TENDER TRUCK	VIN: 1M2P267C6WM034419
99.	2008 PETERBILT MODEL PB340, TANDEM AXLE CRANE TRUCK	VIN: 2NPRLN9X58M746883
100.	1989 INTERNATIONAL MODEL 4700, SINGLE AXLE FLATBED TRUCK	VIN: 1HTSECFM0LH238824
101.	1982 MACK MODEL RD688S, TANDEM AXLE RIG TENDER TRUCK	VIN: 2M2P141Y7CC001632
102.	1988 MACK MODEL RD688S, TANDEM AXLE RIG TENDER TRUCK	VIN: 2M2P141C7JC006816
103.	1979 INTERNATIONAL MODEL F-5070, TANDEM AXLE CAB AND CHASSIS TRUCK	VIN: D3117KG10717
104.	2006 KENWORTH MODEL C500-B, TANDEM AXLE WINCH TRUCK	VIN: 1XKCD80X87R992716
105.	2004 TRAILTECH FLAT DECK TRAILER	VIN: 2CU2BE8L64201569
106.	2005 MANUFACTURER UNKNOWN, FLAT DECK PINTEL HITCH TRAILER	VIN: 2H9CH140050085187
107.	1997 BOW RIDGE FLAT DECK PINTEL HITCH TRAILER	VIN: 2B9411829V1048268
108.	TRAILMOBILE TANDEM AXLE VAN TRAILER	S/N: 5NHUBL6288T415466
109.	1993 PEERLESS MODEL LB50-SDLRSS-W-12A, TRI AXLE SCISSOR GOOSENECK OILFIELD TRAILER	VIN: 2PLG04030PBJ64860
110.	2008 FOREST RIVER TANDEM AXLE ENCLOSED TAG TRAILER	VIN: 5NHUBL6238T415357
111.	2007 RAFAB TRI AXLE FIELD SUPPORT TRAILER	VIN: 2R9CS93457P672038

	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
112.	1996 SATURN 8 X 52 TRI AXLE GOOSENECK TRAILER	VIN: 2S912R541TW010108
113.	1972 TRAILMOBILE TANDEM AXLE VAN TRAILER	S/N: 1231.6794.003
114.	1997 ALCO TRI AXLE OILFIELD FLOAT TRAILER	VIN: 2N9F35E30V1042245
115.	MANUFACTURER UNKNOWN 12' X 8' TANDEM AXLE TAG TRAILER	S/N: 1002
116.	1984 FRUEHAUF MODEL FBXX128102, SINGLE AXLE BULL NOSE VAN TRAILER	VIN: 2H8V02815FS013104
117.	2011 ABU TRAILERS INC. TRI AXLE TAG TRAILER	VIN: 4UGFP3037CD20930
118.	1997 BOW RIDGE FLAT DECK PINTEL HITCH 24'L TRAILER	VIN: 2B9411827V1048267
119.	1984 SUPERIOR FLAT DECK TRAILER	VIN: 055152SD10M1B7414
120.	2001 TRAILTECH FLAT DECK 30' PINTEL HITCH TRAILER	VIN: 2CU138RAX12009035
121.	1992 STEWART 45' TRAILER	VIN: 2S9F45031NV013017
122.	1992 STEWART 45'L FLAT DECK 10,000-LB. TRAILER	VIN: 2S9F45037NV013006
123.	1986 HOBBS 48'L TA-DW FLAT DECK TRAILER	VIN: 1H5P048Z6EN013304
124.	1990 UTILITY 46'L TA-DW FLAT DECK TRAILER	VIN: 1UYV54388LT300410
125.	1987 CHIEFTAIN 40'L TRAILER	VIN: 2C9PF4826HC034050
126.	1998 WILSON 48'L HIGHBOY TRAILER	VIN: 4WWBDB6B6WN600985
127.	1991 FRUEHAUF 45'L FLAT DECK TRI-AXLE TRAILER	VIN: 2FEP04530MS007814
128.	1998 GERRYS TRI-AXLE OILFIELD FLOAT TRAILER	VIN: 2A9PF4534WN125360

	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
129.	2010 HEFTY TANDEM AXLE GOOSENECK TRAILER	VIN: 5NKGU2622AP005191
130.	2001 TRAILTECH TANDEM AXLE TAG TRAILER	VIN: 2CUI38RA112009036
131.	2005 STERLING TRI AXLE CEMENT MIXER	VIN: 2FZHAZDL35AU08743
132.	2006 STERLING TRI AXLE CEMENT MIXER	VIN: 2FZPAZDE26AU51486
133.	2005 CONTINENTAL 16' TRI AXLE CARGO TRAILER	VIN: 5NUHCC6255N045056
134.	1994 INTERNATIONAL MODEL 2574, TANDEM AXLE CEMENT MIXER	VIN: 1HTGAET3SH613269
135.	SHOP BUILT TANDEM AXLE TRAILER	S/N: 1998025
136.	2009 MANUFACTURER UNKNOWN TANDEM AXLE GROUT/CEMENT TRAILER	VIN: 2DAEC42664T003803
137.	2011 FORD MODEL F-350, 4X4 CREW CAB, KING RANCH LIGHT PICKUP TRUCK	VIN: 1FT8W3BT2BEC59587
138.	2009 FORD MODEL F-350, 4X4 CREW CAB, LARIAT SD PICKUP TRUCK	VIN: FT8W38T9BEA92595
139.	2009 FORD MODEL F-350, 4X4 CREW CAB, SD PICKUP TRUCK	VIN: 1FTWW31R09EA05299
140.	2009 FORD MODEL F-350, CREW CAB, SD PICKUP TRUCK	VIN: 1FTWW31R89EA04160
141.	2008 FORD MODEL F-350, 4X 4 CREW CAB, SD PICKUP TRUCK	VIN: 1FTWW31R38EC91390
142.	2012 FORD MODEL F-150, 4X4 CREW CAB, RAPTOR PICKUP TRUCK	VIN: 1FTFW1R66CFB15077
143.	2008 FORD MODEL F-350, 4X 4 CREW CAB, SD PICKUP TRUCK	VIN: 1FTWW31R59EA02740
144.	2005 CHEVY MODEL 2500HD, 4X 4 CLUB CAB, SD PICKUP TRUCK	VIN: 1GCHK2955E170670
145.	2009 FORD MODEL F-350, 4X4 CREW CAB, SD PICKUP TRUCK	VIN: 1FTWW31R99EA05298
146.	2012 FORD MODEL F-150, CREW CAB, PLATINUM	VIN:

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	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
	PICKUP TRUCK	1FTFW1ET5CFBS7248
147.	2012 FORD MODEL F-150 XLT, 4X4 CREW CAB PICKUP TRUCK	VIN: 1FTFW1ET8CKD86547
148.	2012 FORD MODEL F-150 XLT, 4X4 CREW CAB PICKUP TRUCK	VIN: 1FTFW1ETXCKD86551
149.	2006 CHEVY MODEL 2500HD, 4X4 CLUB CAB PICKUP TRUCK	VIN: 1GCHK29D07E112809
150.	2008 FORD MODEL F-350, 4X4 CREW CAB, SD PICKUP TRUCK	VIN: 1FTWW31R78EC69988
151.	2005 CHEVY MODEL 2500HD, 4X4 CLUB CAB PICKUP TRUCK	VIN: 1GCHK29205E206765
152.	2006 GMC MODEL 1500, 4X4 CLUB CAB, SIERRA PICKUP TRUCK	VIN: 1GTEK19C67Z165416
153.	2010 GMC MODEL 2500HD, 4X4 CREW CAB PICKUP TRUCK	VIN: 1GT423C88BF153319
154.	2012 FORD MODEL F-150 XLT, 4X4 CREW CAB PICKUP TRUCK	VIN: 1FTFW1ET2CKD71879
155.	2012 FORD MODEL F-150 XLT, 4X4 CREW CAB PICKUP TRUCK	VIN: 1FTFW1ET8CKD71885
156.	2007 GMC MODEL 1500, 4X4 CLUB CAB, SIERRA PICKUP TRUCK	VIN: 1GTEK19V67Z165416
157.	2005 GMC MODEL 2500HD, 4X4 CLUB CAB PICKUP TRUCK	VIN: 1GTHK29215E131039
158.	2011 FORD MODEL EXPEDITION, 4 X 4 SPORT UTILITY VEHICLE	VIN: 1FMJV1650BEF19129
159.	1996 CHEVY MODEL 2500HD, 4X4 STANDARD CAB PICKUP TRUCK	VIN: 1GCGC24R8TZ120414
160.	2007 YAMAHA RHINO 660 4 X 4 UTILITY VEHICLE	VIN: 5Y4AM08W37A300824

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Vested in Your Success

 **Hilco**  
Valuation Services

M&E APPRAISAL

Appraisal of:

Alken Basin Drilling Ltd.

Report Date: January 22, 2014

Effective Date: January 22, 2014



LENDING • FINANCIAL REPORTING • STRATEGIC PLANNING • INSURANCE/RISK MANAGEMENT  
ESTATE/TAX MANAGEMENT • CORPORATE ALLOCATION • DISPUTE RESOLUTION • FINANCIAL CRISIS

Global Headquarters / 5 Revere Drive, Suite 206 / Northbrook, IL 60062

 **Hilco.**  
Valuation Services  
Machinery and Equipment Appraisal

1. ENGAGEMENT OVERVIEW | 2. VALUE CONCLUSIONS | 3. OVERVIEW | 4. FINANCIAL APPRAISAL INFORMATION | 5. ASSET EXHIBITS

# 5.0

## Asset Exhibits



Aiken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
		<b>RIGS</b>	
1.	1-	<p><b>#R11</b>  Atlas Copco Model TH60-165M, Rotary Top Head Drive Drilling Rig, S/N 21128 (New 2006), with 40' Mast, Gearmatic Model 35 Winch, 28,000-Lbs. Pull Back, 18,000-Lbs Pull Down, Make &amp; Break-Out Wrenches, Jib, 9-Rod Carousel, 950 - 350 Rotary Screw Air Compressor All PTO Driven from The Truck, Mounted on a 2006 Peterbilt 379 Tandem Axle Truck Chassis, VIN: 1NPAL40X57D661602, with Cat C-15 Diesel Engine, Eaton Fuller 8LL Transmission, (4) Hydraulic Outriggers</p> <p>(Please Note: Showing 153,509 KM &amp; 3,205 Hours at Time of Inspection.)</p>	300,000
2.	1-	<p><b>#WR10</b>  Ingersoll Rand Model TH60, Rotary Top Head Drive Drilling Rig, S/N N/A (New 1994), with 35' Mast, Gearmatic Winch, Hydraulic Driven Ingersoll Rand Piston 150 - 600 Air Compressor, 9-Rod Carousel, (3) Hydraulic Outriggers, PTO Driven, Mounted On a 1994 Mack ED688S Tandem Axle Truck Chassis with Mack E-7 Diesel Engine, 18-Speed Transmission, 248" W.B., 385/R22.5 &amp; 11R24.5 Tires</p> <p>(Please Note: Showing 113,926 KM &amp; 25,779 Hours at Time of Inspection.)</p>	100,000
3.	1-	<p><b>#R6</b>  Atlas Copco Model TH60-165M, Rotary Top Head Drive Drilling Rig, S/N 6309 (New 2004), with 40' Mast, Gearmatic Model 35 Winch, 28,000-Lbs Pull Back, 18,000-Lbs Pull Down, Make &amp; Break-Out Wrenches, Jib, 9-Rod Carousel, 950 - 350 Rotary Screw Air Compressor, All PTO Driven From The Truck, Mounted on 2004 Tandem Axle Western Star Truck Chassis, VIN: 5KKHALCK65PU01483, with 60 Series Detroit Diesel Engine, Eaton Fuller 18-Speed Transmission, (4) Hydraulic Outriggers</p> <p>(Please Note: Showing 202,083 KM &amp; 16,844 Hours at Time of Inspection.)</p>	265,000





Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
4.	1-	<p><b>#R710</b>  Ingersoll Rand Model TH60-400M, Top Drive Rotary Rig, with 40'H x 24"W x 2'OD Derrick, 49,000-Lbs Static Hook Load, 26,500-Lbs Pull Back, 30,000-Lbs Pull Down, 3-Section Hydraulic Pumps, 15,000-Lb. Gearmatic Winch, Atlas Copco 5,000-Lbs 125-RPM Top Drive, 20XV King Swivel, Gardner Denver Model FXX 172 Duplex 5-1/2" x 8" Hydraulic Driven Mud Pump, Work Lights, Make-Up &amp; Break-Out Wrenches, 9-Rod Carousel, (3) Hydraulic Outriggers, Rear Fold-Up Work Platform, Mounted on a 2002 Sterling Tandem Axle Truck, VIN: 2FZHAZC692AK12757, with Caterpillar C-13 Diesel Engine, Eaton Fuller 8LL Speed Transmission</p> <p>(Please Note: Not inspected by Appraiser, Information Provided by Company.)</p>	\$ 230,000
5.	1-	<p><b>#R8</b>  Ingersoll Rand Model TH60-165M, Top Head Drive Rotary Rig, S/N 0529 (New 1993), with 40'H x 24"W x 2'OD Derrick, 21,900-Lbs Static Hook Load, 28,000-Lbs Pull Back, 18,000-Lbs Pull Down, 3-Section Hydraulic Pumps, 15,000-Lb. Gearmatic Winch, Atlas Copco 5,000-Lbs, 125-RPM Top Drive, 20XV King Swivel, 350 - 750 Rotary Screw Air Compressor, Work Lights, Make-Up &amp; Break-Out Wrenches, 9-Rod Carousel, (3) Hydraulic Outriggers, Rear Fold-Up Work Platform, Mounted on a 1993 Mack CL853 Elite Tandem Axle Truck, VIN: 1M2AD27Y1PW001063, with Caterpillar 3406 Diesel Engine, Eaton Fuller 18-Speed Transmission, PTO</p> <p>(Please Note: Showing 254,692-KM &amp; 9,633 Hours at Time of Inspection.)</p>	170,000
6.	Lot	<p>Rig 708 Drill Carrier - Schramm T130XD Drilling Rig Mounted on Carrier, VIN: 1CYDGV6897T047574 (New 2007), Consisting of:</p> <ul style="list-style-type: none"> <li>• Telescoping Free Standing Mast Machine, 69.5' Extended / 42.5' Retreated, with Range III Capability</li> <li>• Feed System, is Rated at 50' Head Travel, 130,000-Lbs. Pull Back, 125-FPM Pull Back Speed, 32,000-Lbs. Pull Down and 270-FPM Pull Down Speed</li> <li>• Crane Carrier 5-Axle Self Propelled Back In Carrier, Carrier is Powered by Cummins 425-HP Diesel Engine Unitized, with Eaton 8-Speed Manual Transmission, Carrier is Mounted on Tandem Steering Axles, Each Rated at 22,000-Lbs. Each, Carrier is Complete with Rear Mounted Operators Console, (3) Hydraulic Outriggers, Tool Box and Break Out Wrench</li> <li>• Planetary Winch, with Hydraulic Release Brake Rated at 9,600-Lbs Bare Drum Line Pull &amp; 150-FPM Bare Drum Line Speed</li> <li>• Detroit Model DDC/MTU 12V-2000TA DDEC, Diesel Deck Engine, S/N 5352004988, Rated at 760-bhp @ 1,800-RPM, with (2) 110-Gallon Fuel Tanks</li> <li>• Schramm Rotary Screw Compressor, Rated at 1,150-CFM at 500-PSI</li> </ul>	610,000

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Ref #	Qty.	Description	Forced Liquidation Value
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Continued...

- Top Drive is Rated at 8,884-ft-Lbs. of Torque, with a Rotation Speed of 0 - 143 RPM and Max. Operating Pressure of 3,000-PSI
- Carrier Mounted 200-Gallon Hydraulic System, with Tank, Hydraulic Pump, Manifold, Filters & Hoses, System Operates Mast Raising Cylinder, Leveling Jacks, Winches, Etc.

(Please Note: There is no Deck Air Compressor or Mud Pump, Has New LED Work Lights, Single Iron Rough Neck Pipe Handler System Installed and Rebuilt Top Head Drive System and The Derrick Certified, 2,000-Hours, The Machine was Not Available at Time of Inspection, It was at the Dealer Getting Repairs Made, The Information was Provided Client.)

7.	Lot	#707 Mast - Sub - Drawworks & Drive, Consisting of: <ul style="list-style-type: none"> <li>• Cardwell Telescoping Single Mast Machine, S/N 100749, 63'L, Level IV - 04-2013, Rated at 36,600-daN (80,000-Lbs.), with 4-Lines, Mast is Complete with Standard Equipment, Consisting of: (3) Working and (1) Fast Line Sheaves, Racking Board, Ladder, Tong Suspension, Calfine &amp; Tiggerline Sheaves</li> <li>• Cooper Model LTO350, Double Drum Tandem Drawworks, Complete with Hydraulic Cat Heads, Crown Saver &amp; Control</li> <li>• Detroit Model 8V71T, Diesel Drive Engine, Rated at Approx. 300-HP, Engine is Complete with Battery Start, Local Rad, Positive Air Shut-Off and Instrument Panel</li> <li>• Allison Model CLBT4460-2, 6-Speed Torque Tube Drive Automatic Transmission, 6-Speed Torque Tube Drive Automatic Transmission, (5) Forward &amp; (1) Reverse</li> <li>• Rig Mounted Hydraulic System, with Tank, Hydraulic Pump, Manifold, Filters &amp; Hoses, System Operates Mast Raising Cylinder, Leveling Jacks &amp; Deck Winch</li> <li>• Western Model 20TCG, Portable Double Walled Tank, S/N 32-12-12, 2,000-Liter, with Forklift Pockets</li> <li>• Approx. 8'W x 48'L Drill Trailer, S/N CV2716763, Mounted on Tri-Axles, with Dual Wheels and Air Operated Brakes, Trailer is Equipped with Integral, (6) Stabilization Jacks, (4) Post Jacks, (2) Out Riggers, Elevated Working Platform, Built In Tool Boxes</li> <li>• J.C. Welding 1-Piece Sub Approx. 9'W x 14'L x 5'3" - 9'6"H, with Rotary Support Beams, BOP Lines, Pijining V-Door, Prefabs, Fluorescent Lighting and Steam Heater</li> <li>• Guibberson Type A, Traveling Rated at 50-Tons Block Machine, S/N TT31478, with (2) 24" Sheaves Grooved for 7/8" Wire Rope, Guibberson Unitized Hook Rated at 50-Tons</li> </ul>	485,000
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Ref #	Qty.	Description	Forced Liquidation Value
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Continued...

- Ideal Type V Swivel
  - Hydraulic Pipe Spinner, Energized by Dennison Motor
  - Set 1-3/4" x 72" Weldless Elevator Link
  - Clipper Weight Indicator, Approx. 0 - 90,000 daN
  - Set of BJ Type C Rotary Tongs, with Assortment of Jaws 3-1/2" to 9-5/6"
  - Detroit Model 671, Diesel Deck Engine
- (Please Note: Rig had \$850,000 in Repairs and Upgrades Down to it, Information was Provided by Client.)

8.	Lot	#R308 X308 Ingersoll Rand T3W1070HR2.5 Mobile Range III Rig 400M, S/N 6793 (New 2004), Consisting of: <ul style="list-style-type: none"> <li>• Ingersoll Rand Model T3W, Mast Machine, 45'L. Rated at 45,000 (20,000-daN) Static Hook Load Capacity and 285,500-Lbs. Pull Back &amp; 30,000-Lbs. Pull Down, Mast is Complete with 3/4" Cabling, Dual Raising Cylinders, 6" Crown Sheaves, Make Up / Break Out Wrench and Petrol Wrench</li> <li>• Integral Hydraulic System, Consisting of: (4) Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>• Atlas Copco Top Drive Rated at 0 - 5,000' Torque, 125-RPM, Fast Feed Down 200-FPM / 60.96 MPM - Fast Feed Up 137-FPM / 20.42 MPM</li> <li>• Braden Model CH230, Drawworks, Rated at 18,000-Lbs. Strung, with 3/4" Line</li> <li>• King Model CM25, Swivel</li> <li>• (2) Gardner Denver Model FXX-172, Duplex Pumps, Each Rated at 52-HP (39-KW) Max. BHP and 330-RPM Max. on Jackshaft, Pump Features an 8" Stroke x 6" Bore, 4" NPT Suction Connection x 3" NPT Discharge Connection and is Energized via Hydraulic Motor</li> <li>• 2004 International Model 5600I8X6, Single Steer x Tri-Drive Truck, VIN: 1HTXSAPT44J094479, Powered by Cummins ISX475 Diesel Engine Unitized, with Eaton 18-Speed Manual Transmission, Truck is Mounted on 20,000-Lb. Front Axles and 54,000-Lbs. Rears</li> </ul> <p>(Please Note: Mud Pump Disconnected. 1,102,563 KM &amp; 20,585 at Time of Inspection.)</p>	310,000
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Ref #	Qty.	Description	Forced Liquidation Value
9.	Lot	<p>#R401 Rostel Warrior HRS11160F Mobile Range III Rig - 450-M, S/N 001 (New 2000), Consisting of:</p> <ul style="list-style-type: none"> <li>• Rostel Mast Machine, 45'L. Rated at 50,000 (22,480-daN) Static Hook Load Capacity, Mast is Complete with 3/4" Cabling, Dual Raising Cylinders, 10" Crown Sheaves, Make Up / Break Out Wrench and Petrol Wrench</li> <li>• Integral Hydraulic System, Consisting of: (4) Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>• Foremost Model 1500, Top Drive Rated at 0 - 8,000' Torque Machine, 140-RPM, Fast Feed Down 192-FPM / 58.5 MPM, Fast Feed Up 106-FPM / 39.29 MPM</li> <li>• Pull Master Model H25, Drawworks Machine, Rated at 25,000-Lbs. Strung, with 3/4" Line</li> <li>• Integral Dog House, with BOP Controls, Knowledge Box, Lockers, Etc.</li> <li>• 2000 International Model 50006X4, Single Steer x Tan Drive Truck, VIN: 1HTTGADR8YJ065940, By Cummins ISX375 Diesel Engine Utilized with Eaton 18-Speed Manual Transmission, Truck is Mounted on 16,000-Lb. Front Axle and 46,000-Lbs. Rears</li> </ul> <p>(Please Note: 888,385-km, 28,415 Hours at Time of Inspection.)</p>	\$ 315,000
10.	Lot	<p>#R402 Rostel Warrior HRS11160F Mobile Range III Rig 450-M, S/N R-23985 (New 2000), Consisting of:</p> <ul style="list-style-type: none"> <li>• Rostel Mast Machine, 60'L. Rated at 50,000 (22,480-daN) Static Hook Load Capacity, Mast is Complete with 3/4" Cabling, Dual Raising Cylinders, 10" Crown Sheaves, Make Up / Break Out Wrench and Petrol Wrench</li> <li>• Integral Hydraulic System, Consisting of: (4) Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>• Foremost Model 1500, Top Drive Rated at 0 - 8,000' Torque Machine, S/N 84929, 140-RPM, Fast Feed Down 192-FPM / 58.5 MPM - Fast Feed Up 106-FPM / 39.29 MPM</li> <li>• Pull Master Model H25, Drawworks Machine, Rated at 25,000-Lbs. Strung, with 3/4" Line</li> <li>• Integral Dog House, with BOP Controls, Knowledge Box, Lockers, Etc.</li> <li>• 2005 International Model 56006X8, Tandem Steer x Tri-Drive Truck, VIN: 1HTXSAPT85J153082, Powered by Cummins ISX565 Diesel Engine, S/N 79091541, Utilized with Eaton 18-Speed Manual Transmission, Truck is Mounted on (2) 18,000-Lb. Front Axle and (3) 18,000-Lb. Rears</li> </ul>	415,000

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Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
		<i>Continued...</i>	
		(Please Note: 193,102-KM & 8,789 Hours at Time of Inspection.)	
11.	Lot	<p>#R403 Hemsco Warrior Mobile Range III Rig 800-M, S/N R-23985 (New 2006),  Consisting of:</p> <ul style="list-style-type: none"> <li>• Hemsco Mast Machine, S/N 003, 52.5'L Rated at 80,000 (35,584-daN) Static Hook Load Capacity, Mast is Complete with 7/8" Cabling, Dual Raising Cylinders, 10" Crown Sheaves, Make Up / Break Out Wrench and Petrol Wrench</li> <li>• Integral Hydraulic System, with Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>• Foremost Model 1500, Top Drive Machine, S/N 84929, Rated at 0 - 8,000' Torque, 140-RPM, Fast Feed Down 192-FPM / 58.5 MPM - Fast Feed Up 106-FPM / 39.29 MPM</li> <li>• Pull Master Model H25, Drawworks Machine, Rated at 25,000-Lbs. Strung, with 3/4" Line</li> <li>• Enid Super Bowl Rotary Table Hydraulically Drive, with 16" Opening</li> <li>• Integral Dog House, with BOP Controls, Knowledge Box, Lockers, Etc.</li> <li>• International Model 5600i6X8, Tandem Steer x Tri-Drive Truck, S/N 1HTXSAPT96J22304 (New 2005), Powered by Cummins ISX565 Diesel Engine, S/N 79109468, Utilized, with Eaton 18-Speed Manual Transmission, Truck is Mounted on (2) 20,000-Lb. Front Axle and (3) 18,000-Lb. Rears</li> </ul>	465,000
		(Please Note: 31,403-KM & 11,565 Hours at Time of Inspection.)	
12.	Lot	<p>#R501 Gardner Denver GD2000 Mobile Range III Rig 400-M, S/N R-23985,  Consisting of:</p> <ul style="list-style-type: none"> <li>• Ingersoll Rand Model IR1700, Mast Machine, 59'L Rated at 30,000 (13,340-daN) Static Hook Load Capacity, Mast is Complete with 3/4" Cabling, Dual Raising Cylinders, 10" Crown Sheaves, Make Up / Break Out Wrench and Petrol Wrench</li> <li>• Integral Hydraulic System, Consisting of: Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>• Atlas Copco Model GD2000, Top Drive Machine, Rated at 0 - 5,000' Torque, 125-RPM, Fast Feed Down 200-FPM / 60.96 MPM - Fast Feed Up 137 FPM / 20.42 MPM</li> <li>• Braden Model CH230, Drawworks Machine, Rated at 18,000-Lbs.</li> </ul>	400,000

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Ref #	Qty.	Description	Forced Liquidation Value
			\$
		<i>Continued...</i>	
		<ul style="list-style-type: none"> <li>Strung with 3/4" Line</li> <li>Gardner Denver Model FXX-172, Duplex Pump, Rated at 53-HP (39-kW) Max. BHP and 330-RPM Max. on Jackshaft, Pump Features an 8" Stroke x 6" Bore, 4" NPT Suction Connection x 3" NPT Discharge Connection and is Energized via Hydraulic Motor</li> </ul> <p>(Please Note: Pump Removed at Time of Viewing.)</p> <ul style="list-style-type: none"> <li>C &amp; H Fabricating Model Range III, 3,300-Lb. Load Capacity Pipe Handling Arm, 10,000' / Lbs. Max. Torque Capacity</li> <li>International Model 5600/6X8, Tandem Steer x Tri-Drive Truck, Powered by Cummins ISX425 Diesel Engine Unitized with Eaton 18-Speed Manual Transmission, Truck is Mounted on (2) 20,000-Lb. Front Axle &amp; (3) 18,000-Lb. Rears</li> </ul> <p>(Please Note: 351,799-KM &amp; 11,300-Hours at Time of Inspection.)</p>	
13.	Lot	<p>#R508 Ingersoll Rand TH60 Mobile Range III Rig 400-M (New 1980), Consisting of:</p> <ul style="list-style-type: none"> <li>Ingersoll Rand Mast Machine, 51'L Rated at 40,000 (17,793-daN) Static Hook Load Capacity, Mast is Complete with 3/4" Cabling, Dual Raising Cylinders, 8" Crown Sheaves, Make Up / Break Out Wrench and Petrol Wrench</li> <li>Integral Hydraulic System, Consisting of: Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>Atlas Copco Model GD2000, Top Drive Machine, Rated at 0 - 5,000' Torque, 125-RPM, Fast Feed Down 200-FPM / 60.96 MPM - Fast Feed Up 137-FPM / 20.42 MPM</li> <li>King Model 20XV, Swivel Machine</li> <li>Gardner &amp; Denver Model FXX-172, Duplex Pump, Rated at 52-HP (39-kW) Max. BHP and 330-RPM Max. on Jackshaft, Pump Features an 8" Stroke x 6" Bore, 4" NPT Suction Connection x 3" NPT Discharge Connection and is Energized via Hydraulic Motor</li> <li>Peterbilt Model 357, Tandem Steer x Tandem Drive Truck, Powered by Cat3406 Diesel Engine Unitized with Eaton 18-Speed Manual Transmission, Truck is Mounted on (2) 18,000-Lb. Front Axle and (2) 23,000-Lb. Rears</li> </ul> <p>(Please Note: 577,511-KM &amp; 7,658 Hours at Time of Inspection.)</p>	265,000



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Ref #	Qty.	Description	Forced Liquidation Value
			\$
14.	Lot	<p>#R509 Ingersoll Rand TH60 Mobile Range III Rig 400-M (New 1993), OUT OF SERVICE AT TIME OF INSPECTION, Consisting of:</p> <ul style="list-style-type: none"> <li>• Ingersoll Rand Mast Machine, 51'L Rated at 49,000 (21,758-daN) Static Hook Load Capacity, Mast is Complete with 3/4" Cabling, Dual Raising Cylinders, 8" Crown Sheaves, Make Up / Break Out Wrench and Petrol Wrench</li> <li>• Integral Hydraulic System, Consisting of: Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>• Atlas Copco Model GD2000, Top Drive Machine, Rated at 0 - 5,000' Torque, 125-RPM, Fast Feed Down 200-FPM / 60.96 MPM - Fast Feed Up 137-FPM / 20.42 MPM</li> <li>• King Model 20XV, Swivel Machine</li> <li>• Volvo Single Steer x Tandem Drive Truck, Powered by Volvo Model VE12-300AE Diesel Engine with Rated at 300-HP Unitized with Volvo Model VT1214, 14-Speed Manual Transmission, Truck is Mounted on (1) 16,000-Lb. Front Axle and (2) 20,000-Lb. Rears</li> </ul> <p>(Please Note: Bad Engine, The Mud Pumps Have Been Removed, Has Not Operated for Some Time.)</p>	37,500
15.	Lot	<p>#R515 Ingersoll Rand TH60 Mobile Range III Rig-400-M (New 1980), Consisting of:</p> <ul style="list-style-type: none"> <li>• Ingersoll Rand Mast Machine, 52'L Rated at 30,000 (13,320-daN) Static Hook Load Capacity, Mast is Complete with 3/4" Cabling, Dual Raising Cylinders, 10" Crown Sheaves, Make Up / Break Out Wrench and Petrol Wrench</li> <li>• Integral Hydraulic System, Consisting of: Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>• Atlas Copco Model GD2000, Top Drive Machine, Rated at 0 - 5,000' Torque, 125-RPM, Fast Feed Down 200-FPM / 60.96 MPM - Fast Feed Up 137 FPM / 20.42 MPM</li> <li>• Braden Model CH230, Drawworks Machine, Rated at 18,000-Lbs. Strung with 3/4" Line</li> <li>• Gardner Denver Model FXX-172, Duplex Pump, Rated at 52-HP (39-kW) Max. BHP and 330-RPM Max. on Jackshaft, Pump Features an 8" Stroke x 6" Bore, 4" NPT Suction Connection x 3" NPT Discharge Connection and is Energized via Hydraulic Motor</li> </ul> <p>(Please Note: Pump Removed at Time of Viewing.)</p> <ul style="list-style-type: none"> <li>• International Model 5600I6X8, Single Steer x Tri-Drive Truck, Powered by Cat C15 Diesel Engine Rated at 475-HP Unitized with</li> </ul>	285,000

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Ref #	Qty.	Description	Forced Liquidation Value
			\$
		<i>Continued...</i>	
		Eaton 18-Speed Manual Transmission, Truck is Mounted on (1) 20,000-Lb. Front Axle and (3) 17,000-Lb. Rears  (Please Note: 30,370-KM & 14,653-Hours at Time of Inspection.)	
16.	Lot	#R516 Ingersoll Rand TH60 Mobile Range III Rig-400-M (New 1979), Consisting of: <ul style="list-style-type: none"> <li>• Ingersoll Rand Mast Machine, 52'L. Rated at 40,000 (17,793-daN) Static Hook Load Capacity, Mast is Complete with 3/4" Cabling, Dual Raising Cylinders, 10" Crown Sheaves, Make Up / Break Out Wrench and Petol Wrench</li> <li>• Integral Hydraulic System, Consisting of: Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>• Atlas Copco Model GD2000, Top Drive Machine, Rated at 0 - 5,000' Torque, 125-RPM, Fast Feed Down 200-FPM / 60.96 MPM - Fast Feed Up 137 FPM / 20.42 MPM</li> <li>• Braden Model CH230, Drawworks Machine, Rated at 18,000-Lbs. Strung with 3/4" Line</li> <li>• Western Model CHD25; Swivel Machine</li> <li>• International Model 5600I8X6, Single Steer x Tri-Drive Truck, Powered by Cummins ISX500 Diesel Engine Rated at 500-HP Utilized with Eaton 18-Speed Manual Transmission, Truck is Mounted on (1) 20,000-Lb. Front Axle and (3) 17,000-Lb. Rears</li> <li>• (2) Gardner Denver Model 3FXX-172, Hydraulic Driven Mud Pumps</li> </ul> (Please Note: 22,825-KM & 9,910 Hours at Time of Inspection.)	295,000
17.	Lot	#R517 UDR 1500 Mobile Range III Rig 500-M, Consisting of: <ul style="list-style-type: none"> <li>• Ingersoll Rand Mast Machine, 75'L. Rated at 90,000 (39,960-daN) Static Hook Load Capacity, Mast is Complete with 7/8" Cabling, Dual Raising Cylinders, 18" Crown Sheaves, Make Up / Break Out Wrench and Petol Wrench</li> <li>• Integral Hydraulic System, Consisting of: Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>• Calzoni Drawworks Machine, Rated at 44,000-Lbs.</li> <li>• Gardner Denver Model FXX-172, Duplex Pump, Rated at 52-HP (39-kW) Max. BHP and 330-RPM Max. on Jackshaft, Pump Features an 8" Stroke x 6" Bore, 4" NPT Suction Connection x 3" NPT Discharge Connection and is Energized via Hydraulic Motor</li> </ul>	135,000

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Ref #	Qty.	Description	Forced Liquidation Value
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(Please Note: Pump Removed at Time of Inspection.)

- Reineer Model 62, Top Drive Machine, Rated at 0 - 6,500' Torque, 220-RPM, Fast Feed Down 215-FPM / 64.5 MPM - Fast Feed Up 143-FPM / 42.9 MPM
- King Model 5JW, Swivel Machine
- International Model 5600i8X6, Tandem Steer x Tri-Drive Truck, Powered by Cummins ISX500 Diesel Engine Rated at 500-HP Unitized with Eaton 18-Speed Manual Transmission, Truck is Mounted on (1) 20,000-Lb. Front Axle and (3) 17,000-Lb. Rears

(Please Note: 1,457,613-KM & 28,924 Hours at Time of Inspection.)

18.	Lot	#R701 Ingersoll Rand RD 20-R3 Mobile Range (II) Rig-1100-M (New 2004),	385,000
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Consisting of:

- Ingersoll Rand Mast Machine, 62'L Rated at 120,000 (53,280-daN) Static Hook Load Capacity, Mast is Complete with 1-1/4" / 7/8" Cabling, Dual Raising Cylinders, 32" Nylon Crown Sheaves, Make Up / Break Out Wrench and Petrol Wrench
- Integral Hydraulic System, Consisting of: Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing
- Atlas Copco Model 4SF-2-12, Top Drive Machine, Rated at 0 - 8,000' Torque, 120-RPM; Fast Feed Down 192-FPM / 58.5 MPM - Fast Feed Up 106-FPM / 39.29 MPM
- Braden Model CH230, Drawworks Machine, Rated at 18,000-Lbs. and 106' Per Minute
- Chevron Cushion Sub Machine
- Crane Model RD20-R3, Tandem Steer x Tri-Drive Carrier, Powered by Cat C13 Diesel Engine Rated at 475-HP Unitized with 5-Speed Manual Transmission, Truck is Mounted on (1) 37,103-Lb. Front Axles and (3) 81,103-Lb. Rears

(Please Note: Engine Being Rebuilt at Time of Inspection.)

- (2) Gardner Denver Model 3FXX-172, Hydraulic Driven Mud Pumps

(Please Note: 22,825-KM & 9,910 Hours at Time of Inspection.)

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Ref #	Qty.	Description	Forced Liquidation Value
19.	Lot	<p>#R703 Ingersoll Rand TH60-750 Mobile Range III Rig-400-M (New 1980), Consisting of:</p> <ul style="list-style-type: none"> <li>• Ingersoll Rand Mast Machine, 51'L Rated at 40,000 (17,793-daN) Static Hook Load Capacity, Mast is Complete with 3/4" Cabling, Dual Raising Cylinders, 8" Crown Sheaves, Make Up / Break Out Wrench and Petol Wrench</li> <li>• Integral Hydraulic System, Consisting of: Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>• Braden Model CH230, Drawworks Machine, Rated at 18,000-Lbs. Strung with 3/4" Line</li> <li>• Ingersoll Rand Model 600/250, Spiro Flow Air Compressor</li> <li>• Gardner Denver Model FXX-172, Duplex Pump, Rated at 52-HP (39-KW) Max. BHP and 330-RPM Max. on Jackshaft, Pump Features an 8" Stroke x 6" Bore, 4" NPT Suction Connection x 3" NPT Discharge Connection and is Energized via Hydraulic Motor</li> <li>• Atlas Copco Model GD2000, Top Drive Machine, Rated at 0 - 5,000' Torque, 125-RPM, Fast Feed Down 200-FPM / 60.96 MPM - Fast Feed Up 137 FPM / 20.42 MPM</li> <li>• King Model 20XV, Swivel Machine</li> <li>• Mack Model CV713, Single Steer x Tri-Drive Truck, Powered by E2350 Diesel Engine Rated at 500-HP Utilized with Maxitorque 18-Speed Manual Transmission, Truck is Mounted on (1) 20,000-Lb. Front Axle and (3) 17,000-Lb. Rears</li> </ul>	<p>\$ 190,000</p>
20.	Lot	<p>#R705 Ingersoll Rand TH60 Mobile Range I Rig-400-M, Consisting of:</p> <ul style="list-style-type: none"> <li>• Ingersoll Rand Mast Machine, 51'L Rated at 40,000 (17,793-daN) Static Hook Load Capacity, Mast is Complete with 3/4" Cabling, Dual Raising Cylinders, 8" Crown Sheaves, Make Up / Break Out Wrench and Petol Wrench</li> <li>• Integral Hydraulic System, Consisting of: Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>• Braden Model CH230, Drawworks Machine, Rated at 18,000-Lbs. Strung with 3/4" Line</li> <li>• Gardner Denver Model FXX-172, Duplex Pump, Rated at 52-HP (39-KW) Max. BHP and 330-RPM Max. on Jackshaft, Pump Features an 8" Stroke x 6" Bore, 4" NPT Suction Connection x 3" NPT Discharge Connection and is Energized via Hydraulic Motor</li> <li>• Atlas Copco Model GD2000, Top Drive Machine, Rated at 0 - 5,000' Torque, 125-RPM, Fast Feed Down 200-FPM / 60.96 MPM - Fast Feed Up 137 FPM / 20.42 MPM</li> <li>• King Model 20XV, Swivel Machine</li> <li>• International Model 500008X4, Single Steer x Tandem Drive Truck, Powered by Cummins N14-460E Diesel Engine Rated at 460-HP Utilized</li> </ul>	<p>\$ 145,000</p>

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Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
		<i>Continued...</i>	
		with Maxitorque 18-Speed Manual Transmission, Truck is Mounted on (1) 20,000-Lb. Front Axle and (2) 23,000-Lb. Rears	
		(Please Note: 539,655-KM & 6,094 Hours at Time of Inspection.)	
21.	Lot	#R707 Ingersoll Rand TH60 Mobile Range III Rig-400-M, Consisting of: <ul style="list-style-type: none"> <li>Ingersoll Rand Mast Machine, 51'L Rated at 40,000 (17,793-daN) Static Hook Load Capacity, Mast is Complete with 3/4" Cabling, Dual Raising Cylinders, 8" Crown Sheaves, Make Up / Break Out Wrench and Petrol Wrench</li> <li>Integral Hydraulic System, Consisting of: Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>Braden Model CH230, Drawworks Machine, Rated at 18,000-Lbs. Strung with 3/4" Line</li> <li>Gardner Denver Model FXX-172, Duplex Pump, Rated at 52-HP (39-KW) Max. BHP and 330-RPM Max. on Jackshaft, Pump Features an 8" Stroke x 6" Bore, 4" NPT Suction Connection x 3" NPT Discharge Connection and is Energized via Hydraulic Motor</li> <li>Atlas Copco Model GD2000, Top Drive Machine, Rated at 0 - 5,000' Torque, 125-RPM, Fast Feed Down 200-FPM / 60.96 MPM - Fast Feed Up 137 FPM / 20.42 MPM</li> <li>King Model 20XV, Swivel Machine</li> <li>Freightliner Model Sterling, Single Steer x Tandem Drive Truck, Powered by Detroit Series 60 Diesel Engine Rated at 470-HP Utilized with Maxitorque 18-Speed Manual Transmission, Truck is Mounted on (1) 18,000-Lb. Front Axle and (2) 23,000-Lb. Rears</li> </ul>	135,000
		(Please Note: 843,626-KM & 13,438 Hours at Time of Inspection.)	
22.	Lot	#R709 Gefco Speedstar 40K Mobile Range III Rig-400-M (New 2002), Consisting of: <ul style="list-style-type: none"> <li>Gefco Mast Machine, 55'L Rated at 40,000 (17,793-daN) Static Hook Load Capacity, Mast is Complete with 3/4" Cabling, Dual Raising Cylinders, 8" Crown Sheaves, Make Up / Break Out Wrench and Petrol Wrench</li> <li>Integral Hydraulic System, Consisting of: Pumps, Common Reservoir, Thermal Exchanger and Infrastructure for Interconnecting Plumbing</li> <li>Braden Model CH230, Drawworks Machine, Rated at 18,000-Lbs. Strung with 3/4" Line</li> </ul>	345,000

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Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
		<i>Continued...</i>	
		<ul style="list-style-type: none"> <li>• (2) Gardner Denver Model FXX-172, Duplex Pumps, Rated at 52-HP (39-KW) Max. BHP and 330-RPM Max. on Jackshaft, Pump Features an 8" Stroke x 6" Bore, 4" NPT Suction Connection x 3" NPT Discharge Connection and is Energized via Hydraulic Motor</li> <li>• Atlas Copco Model GD2000, Top Drive Machine, Rated at 0 - 5,000' Torque, 125-RPM, Fast Feed Down: 200-FPM / 60.96 MPM - Fast Feed Up 137 FPM / 20.42 MPM</li> <li>• Western Model 25CHD, Swivel Machine</li> <li>• International Model 5900i8X6, Single Steer x Tri-Drive Truck, Powered by Cummins ISX600 Diesel Engine Rated at 500-HP Utilized with Eaton 18-Speed Manual Transmission, Truck is Mounted on (1) 20,000-Lb. Front Axle and (3) 20,000-Lb. Rears</li> </ul> <p>(Please Note: (2) Gardner Denver Mud Pumps have been Removed and Mounted on Another Rig, It will be Operated with Auxiliary Mud Pumps or Air, 139,927-KM &amp; 12,072 Hours at Time of Inspection.)</p>	
		<b><u>SUB STRUCTURES</u></b>	
23.	1-	Manufacturer Unknown Drive On Sub Rig Structure, with Hydraulic Raise, Heater Registers, Access Stairs & Safety Railings, Operated From the Rig Hydraulics	175,000
24.	1-	C & H Fabricating 10'H x 12'6"W x 64'L Drive-On Rig Substructure, S/N CH00507 (New 2006), with 130,000 lb. Capacity Hydraulic Raise with a 30-HP Self-Contained Hydraulic Unit, with a Hydraulic B.O.P. Hoisting System, Heat Registers, Access Stairs & Safety Railings.	265,000
25.	1-	Mastco-Derrick Services Model B, Ramp Style Drive-On Rig Substructure, S/N 11086S (New 2006), with 120,000-Lb. Capacity Hydraulic Raised From the Rig Hydraulics, Heat Registers, Access Stairs & Safety Railings	180,000
26.	1-	Manufacturer Unknown 8'H x 12'6"W x 64'L Drive-On Rig Substructure, with Heater Registers, Operated by Rig Hydraulics, Access Stairs & Safety Railings	175,000
27.	1-	Manufacturer Unknown 8'H x 12'6"W x 55'L Drive-On Rig Substructure, with Hydraulic Raise Heater Registers, Operated by Rig Hydraulics, Access Stairs & Safety Railings	175,000

Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
28.	1-	Manufacturer Unknown 8'H x 12'6"W x 55'L Drive-On Rig Substructure, with Heater Registers, Hydraulic Raise, Self Contained Hydraulic Unit, Access Stairs & Safety Railings	185,000
29.	1-	Manufacturer Unknown 8'H x 12'6"W x 64'L Drive-On Rig Substructure, with Hydraulic Raise Heater Registers, Operated by Rig Hydraulics, Access Stairs & Safety Railings	175,000
30.	1-	Manufacturer Unknown 8'H x 12'6"W x 64'L Drive-On Rig Substructure, with Hydraulic Raise Heater Registers, Operated by Rig Hydraulics, Access Stairs & Safety Railings	175,000
31.	1-	Manufacturer Unknown 8'H x 12'6"W x 64'L Drive-On Rig Substructure, with Hydraulic Raise Heater Registers, Operated by Rig Hydraulics, Access Stairs & Safety Railings	175,000

**MUD SYSTEMS & PUMPS**

32.	1-	<b>#MST219</b> Gardner Denver Model THE, Triplex 250-HP Mud Pump, S/N 00014184, with Pulsation Bottle, 2-In Pressure Gauge, Liner Wash Pump, with Detroit Series 50 Diesel Engine, with WPT Model W15-CG-200 Clutch, S/N W0804571, Slopped Bottom 3-Section Mud Tank with In-Tank 24-In Degasser, Hole Fill Pump, Skimmers, Float Gauges, Guns Steam Manifold, MI-Swaco Model Meerkat-PT Shale Shaker S/N MKAT-021, (2) 40-HP Mix Pumps with Hopper & 1/4-HP Exhaust, Old Fluid Power Accumulator, 60-Gallon, 4-Station, Raja 52' Tri-Axle Step Deck Trailer VIN 2R9CS43389D144640 (New 2009), with Undermount Fuel Tank	215,000
33.	1-	Centerline Model MP-225-400, Mud Puppy Mud Pump System, S/N 0304 (New 2004), with Deutz 2013 Series Diesel Engine, 4' x 6' Shale Shaker, Water Tank, 2" x 2" Hydraulic Driven Charge Pumps, 3" x 3" Hydraulic Driven Pump, Not Mounted	70,000
34.	Lot	<b>#708 Mud System, Consisting of:</b> <ul style="list-style-type: none"> <li>• Single Mud Tank, with Approx. 114-bbl Capacity, 4-Compartment with Clean-Outs, Sloped Bottom, 6' Mix Room, 4' Manifold Shack and 24" Degasser with 150' of 6" Vent Line</li> <li>• Mini Shaker, with (2) Panels &amp; (2) Verbose Motors</li> <li>• Mix Room is Equipped with (2) 5" x 6" Precharge/Mix Pumps Each Energized by 50-HP Electric Motors, Mix Hopper &amp; (2) Desanders</li> </ul>	115,000

(Please Note: Not Inspected by Appraiser.)

Continued...

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Alken Basin Drilling Ltd. - Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
		<i>Continued...</i>	
35.	1-	<b>#MPT220</b> Tulsa Power Model TT-560, Tri-Plex Mud Pump, S/N 05TT35078, Rated at 50-HP, with Pulsation Chamber, 2" Pressure Gauge, Liner Wash Pump, with Caterpillar Diesel Engine 3306 with Allison Transmission Model CLT6061-4 Clutch S/N 3110083552, 4-Speed Automatic, (1) Old Fluid Power Accumulator, 37.5-Gallon, 4-Station Ingersoll Rand Model SS-5 Air Compressor S/N A063162, Raja 50' Step Deck Trailer VIN 2R9CS42256D144132 (New 2006), with Dual Wheel Tandem Axle Rated at 16,000-Lbs. per Axle, with Arrow Hose Crimping Machine	245,000
36.	1-	Gardner Denver Model FXX-172, Duplex 7" x 10" Mud Pump, S/N N/A, Mounted on Tandem Axle Trailer Chassis with (8) 14.5 Tires, Operated from the Rig Hydraulics	25,000
37.	Lot	<b>#707 Mud System, Consisting of:</b> <ul style="list-style-type: none"> <li>• Emsco Model D-375, Duplex Mud Pump, S/N 377, Rated at 375-HP, Pump is Dressed with Standard Equipment Including, Quick Change Heads, Plumbing, Emsco Pulsation Dampener S/N 594, Mud Valve, Liner Wash Pump, 2" Pressure Gauge, 2" Relief Valve, Pump is energized by a Twin Detroit 671 Engine Compound S/N 6A0418665, with Allison Gear Box S/N HD111396, Turbo Chargers, Positive Air Shut-Offs, 5-HP Electric Starting Motor, Local Rads, Pump Package is Mounted in Approx. 10'W x 30'L 4-Member Skidded Building with (2) Double Doors, (3) Man Doors, Shutters, Steam Heat, Fluorescent Lighting, Locking Storage Compartments, Etc.</li> <li>• Single Mud Tank, with Approx. 114-bbl Capacity, 4-Compartment with Clean-Outs, Sloped Bottom 6' Mix Room, 4' Manifold Shack and 24" Degasser with 150' of 6" Vent Line</li> <li>• Mini Shaker, with (2) Panels &amp; (2) Verbose Motors</li> <li>• Mix Room is Equipped with 5" x 8" Precharge/Mix Pump Energized by 40-HP Electric Motor &amp; Mix Hopper</li> <li>• Choke Manifold, 3" Gut Line with (2) 3" Gate Valves &amp; (2) 2" Wing Lines with (8) 2" Gate Valves, Manifold is Complete with (2) Manual 2" Chokes &amp; Instrumentation</li> </ul>	235,000

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Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
38.	1-	<b>#MST216</b> National Model 83-20R, Triplex Mud Pump, S/N 41939, Rated at 92-HP with Pulsation Bottle, 2" Pressure Gauge, Century AC 1/2-HP Lubrication Pump, Pump is energized by International DTA 530 Diesel Engine with Twin Disc SP314P101 Clutch, S/N 2064176, Brand Model Cobra Shale Shaker, S/N 15624-0012, Sloped Bottom Mud Tank, (1) Crown Signature 20-HP Mix Pump with Hopper, Homemade Tri-Axle Step Deck Trailer, VIN HMPL5ONTS284842 (New 1985)	175,000
39.	2-	<b>#709's</b> Gardner Denver Model 3FXX172, 10" x 7" Duplex Hydraulic Driven Mud Pumps, S/N 500 & 32781	15,000
40.	1-	<b>#MST218</b> National 4" x 3" x 13" Pump, S/N 21055, with 2" Pressure Gauge, Pump is Energized by a Baldor 20-HP Motor, Brand Model Cobra Shale Shaker, S/N 15626-BR, Sloped Bottom 3-Section Mud Tank, with In-Tank 24" Degasser, Hole Fill Pump, Skimmers, Float Gauges, Guns Steam Mainfold, Doecker 42' Tri-Axle Drop Deck Trailer, VIN 2DEDDFZ3421014012 (New 2002), with Detroit 40 Series Diesel Engine & Twin Disk Clutch	175,000
41.	1-	<b>#MST217</b> Oilwell Model 348, Triplex Mud Pump, S/N P124-56, with Pulsation Bottle, 2" Pressure Gauge, Pump is Energized by a Cummins Model 300-HP Motor, Swaco Geograph Linear Motion Shaker Sloped Bottom 3-Section Mud Tank, S/N 70544, with In-Tank 24" Degasser, Hole Fill Pump, Skimmers, Float Gauges, Guns Steam Manifold, (1) Mission Mixing Pump, S/N 640202529IT70, Manac 53' Tri-Axle Drop Deck Trailer, VIN 2M513161X61108574 (New 2006)	175,000
42.	1-	<b>#3362</b> Tulsa Power Model TT-560, Triplex Mud Pump, S/N N/A, Rates at 500-HP with Pulsation Chamber, 2" Pressure Gauge, Liner Wash Pump, Pump is energized by Caterpillar Diesel Engine 3306 w/ht Allison Transmission Model CLT6061-4 Clutch 4-Speed Automatic, (1) Old Fluid Power Accumulator, 37.5-Gallon, 4-Station, Ingersoll Rand Model SS-5 Air Compressor, Step Deck Trailer, (New 2006), Approx. 50'L x 9'W with Tri-Axles and Custom Locking Compartments	230,000



Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
60.	1-	#MMT5 Manufacturer Unknown Square Bottom Mud Tank, 8'W x 14'L, 3-Compartment, Diffuser, Mix Hopper with Pintel Hitch, Integral Trailer Mount	12,750
61.	1-	#MMT6 Manufacturer Unknown Square Bottom Mud Tank, 8'W x 14'L, 3-Compartment, Diffuser, Mix Hopper with Pintel Hitch, Integral Trailer Mount	12,750
62.	1-	#MMT7 Manufacturer Unknown Square Bottom Mud Tank, 8'W x 14'L, 3-Compartment, Diffuser, Mix Hopper with Pintel Hitch, Integral Trailer Mount	9,500
63.	1-	#SMT1 Manufacturer Unknown Skid Mounted on 3-Member 6" Flange, Slopped Bottom Mud Tank, 9'W x 20'L, 5-Compartment, Vertical Degasser Mix Hopper	18,750
64.	1-	#SMT2 Manufacturer Unknown Skid Mounted on 3-Member 6" Flange, Slopped Bottom Mud Tank, 9'W x 20'L, 5-Compartment, Vertical Degasser Mix Hopper	18,750
65.	1-	#SMT2 Manufacturer Unknown Skid Mounted on 3-Member 6" Flange, Slopped Bottom Mud Tank, 9'W x 20'L, 5-Compartment, Vertical Degasser Mix Hopper	18,750
66.	1-	Manufacturer Unknown Skid Mounted on 3-Member 6" Flange, Slopped Bottom Mud Tank, 9'W x 20'L, 5-Compartment, Vertical Degasser Mix Hopper, Brandt Shaker	18,750
67.	1-	#SMT3 Manufacturer Unknown Skid Mounted on 3-Member 6" Flange, Slopped Bottom Mud Tank, 9'W x 20'L, 5-Compartment, Vertical Degasser Mix Hopper, Derrick Flo Line Shaker, S/N MA005254	24,500
68.	1-	#SMT4 Manufacturer Unknown Skid Mounted on 3-Member 6" Flange, Slopped Bottom Mud Tank, 9'W x 20'L, 5-Compartment, Vertical Degasser Mix Hopper, Derrick Flo Line Shaker	24,500
69.	1-	Manufacturer Unknown 20'L x 8'W x 2'6"H, 3-Compartment Mud Tank, with Integral Trailer Mount	12,250





Alken Basin Drilling Ltd. Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
<b><u>GENERATOR/COMBINATION BUILDINGS</u></b>			
70.	1-	<b>#A1</b> Manufacturer Unknown 60-Gallon, 3-Station Old Fluid Power Accumulator, with Stamford Model BS500 AC Generator S/N MO3L048929-6, with 105-KW Base, Stamford Model NEMAMG1-20 100-kW Generator Powered by Isuzu Model 6BG1T Diesel Engine, Hammond 75-kva Transformer	24,500
71.	1-	<b>#A2</b> Manufacturer Unknown 60-Gallon, 3-Station Old Fluid Power Accumulator, with Stamford Model NEMAMG1-20 100-kW Generator, S/N 123044 Powered by Isuzu Model 6BG1T Diesel Engine, Hammond 3-Phase 75-kva Transformer, S/N MKO75KB, Madison 10-HP Motor, S/N 31030374	13,750
72.	Lot	<b>#708</b> Manufacturer Unknown Doghouse-Water Tank-Utility Room/Change Room, Approx. 8'W x 48'L, Consisting of: <ul style="list-style-type: none"> <li>• Drop Down Riggings, with Knowledge Box &amp; Lockers</li> <li>• Water Tank, with (2) Transfer Pumps</li> <li>• Utility Room/Change Room, with Benches, Steam Heat, Lockers, Storage</li> <li>• Devalr Model 5602S, 150-psi Air Compressor</li> <li>• Marathon 200-kw Generator, with Cat 3306B Diesel Engine</li> <li>• Utility Room with Work Benches, Visé, Grinder, Steam Heat &amp; Cabinets</li> </ul>	295,000
73.	Lot	<b>#707</b> Miscellaneous Buildings & Structures, Consisting of: <ul style="list-style-type: none"> <li>• Doghouse-Water Tank-Utility Room /Change Room, Approx. 8'W x 48'L, Equipped with Drop Down Rigging, with Standard Amenities Including Knowledge Box, Locking Storage</li> <li>• Water Tank, Is Equipped with (2) Transfer Pumps</li> <li>• Utility Room/Change Room, with Utility Bench, Steam Heat Lockers, Locking Storage Compartments, Etc.</li> <li>• Combination Building (Generator-Accumulator-Compressor-Utility)</li> <li>• Chicago Pneumatic Model QRS10, Air Compressor, S/N CA1225823</li> <li>• John Deere Generator Set, Rated at Approx. 250-kw, Energized by John Deere Model 6125AF001 Diesel Engine, S/N RG6125A006800</li> </ul>	295,000

Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
74.	1-	<b>#CBT237</b> 2006 Manac 53' Tri-Axle Step Deck Trailer, VIN: 2M513161461108571, with Northern Steel Double Walled 300-Litre Fuel Tank, S/N 27623-2, Sorgel Model 24PDPFG220-1 3-Phase 112.5-kva Transformer, S/N 024EE0112T480D208Y1A-001, Old Fluid Power 60-Gallon, 3-Station Accumulator, Magnaplus Model 431PSL6206 219-kva AC Generator, S/N WA-548958-0306, Midtronics Model CXC-710 120-Volt Battery Charger/Starter	110,000
75.	1-	<b>#CBT236</b> 2005 Manac 53' Tri-Axle Step Deck Trailer, VIN: 2M512146851100277, Baldor 5-HP Motor, S/N W0912010886, Old Fluid Power 4-Station, 370'L Accumulator, Magnaplus Model 362PSL1606 3-Phase 113-kva AC Generator, S/N LM-407648-0505	100,000
76.	1-	<b>#CBT238</b> 1996 Manac 53' Tri-Axle Step Deck Trailer, VIN: 2M5131611T1040516, 300L Northern Steel Double Walled Fuel Tank, S/N 27623-1, Stamford Model NEMAMG1-20 100-kw Generator, Powered by Isuzu Model BI-4HK1X Diesel Engine, S/N BI-4HK1XYGV-03, Old Fluid Power 4-Station, 60-Gallon Accumulator, 100-kw Generator, with 5-HP Air Compressor	127,500
77.	1-	Shop Built 10'W x 18'L x 8'H Skid Mounted Generator Building, with a Newage 105-kw Generator ID3-11.5, Powered by Isuzu Model 6BG1T Diesel Engine, S/N 6BG1-128044, with a 4-Station Annular, Cabinets	31,500

**PIPE TRUCKS**

78.	1-	<b>#PT303</b> 2003 Mack Model CV713, Single Steer Tandem Drive Rear Axle Truck, VIN: AG11Y03M006075, wit Proheat, Eaton 8-Speed Manual Transmission, Truck is Fitted with Approx. 6m3 Tank and Drop Pocket Railing	15,500
79.	1-	<b>#X4014</b> 1985 Kenworth Model T801, Single Steer Tandem Drive Rear Axle Truck, VIN: N/A, Powered by CAT 3406-DITAPS Engine Utilized with Eaton 14-Speed Manual Transmission	2,150

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Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
80.	1-	<b>#PT315</b> Sterling Model LT9500, Single Steer Tandem Drive Rear Axle Truck, S/N 2FZHAZDE98AZ69390 (New 2008), with 6m3 Tank, Auxiliary Fuel Tank, Drop Pocket Railing & Handler, Truck is Powered by Cat C-13 Engine, Utilized with Eaton 18-Speed Manual Transmission	\$ 99,750
81.	1-	<b>#PT316</b> Sterling Model LT9500, Single Steer Tandem Drive Rear Axle Truck, S/N 2FZHAZDEX8AZ83105 (New 2008), with 6m3 Water Tank, Auxiliary Fuel Tank, Drop Pocket Railing & Handler, Truck is Powered by Cat C-13 Engine, Automatic Transmission	99,750
82.	1-	<b>#PT301</b> 1997 Kenworth Model T800, Single Steer Tandem Drive Rear Axle Truck, VIN: 1XKDP90X3VR947443, Truck is Powered by Cummins M11-370E Diesel Engine, Utilized with Eaton 14-speed Manual Transmission, Truck is Fitted with Approx. 6-m3 Tank Drop Pocket Railing, 20' Steel Bed, 2346" W.B., 1,000-Gallon Water Tank, Tool Boxes	23,375
83.	1-	<b>#PT317</b> 2008 Sterling Model LT9500, Single Steer Tandem Drive Rear Axle Truck, VIN: 2FZHAZDE88AZ83104, with 6-m3 Tank, Drop Pocket Railing & Handler, Cat C-13 Diesel Engine, Automatic Transmission	99,750
84.	1-	<b>#PT318</b> Sterling Model LT9500, Single Steer Tandem Drive Rear Axle Truck, S/N 2FZHAZDE68AZ83103 (New 2008), with 6-m3 Tank, Auxiliary Fuel Tank, Drop Pocket Railing & Handler, Cat C-13 410-HP Diesel Engine, Automatic Transmission	99,750
85.	1-	<b>#PT319</b> Sterling Model LT9500, Single Steer Tandem Drive Rear Axle Truck, S/N 2FZHAZDE48AZ83102 (New 2008), with 6-m3 Tank, Auxiliary Fuel Tank, Drop Pocket Railing & Handler, Cat C-13 410-HP Diesel Engine, Automatic Transmission	99,750
<b><u>CAT WALKS</u></b>			
86.	1-	<b>#501</b> Manufacturer Unknown Hydraulic Pipe Tub, with Manifold Shack, Catwalk Approx. 8'W x 53'L with 4' Manifold Building at One End, Hydraulically Raised Center, Loading Arms, with Hydraulic Levelers and Loader Access	95,000



Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
87.	1-	<b>#707</b> Ozcan Hydraulic Catwalk with Integral 40-HP Hydraulic Unit, Swing Out Pipe Loading Arms, Pipe Tub, Elevator, Levelers, Indexers, Skate, Utility Winch and Telescoping Light Posts	135,000
88.	1-	<b>#701</b> Mastco Tri Axle Dual Wheel Trailer, S/N VAC-08472-2792 (New 2006), with Hydraulically Articulated V-Door/Stairwell, Casing and Swing Out Pipe Arms with Hydraulic Levels, Integral 40-HP HPU, with Choke Manifold Shack on One End	185,000
89.	1-	<b>#CWT 275</b> Custom Delgned & Fabricated Tank, S/N VAC-06800-6159 (New 2000), Tandem Axle Dual Wheel, Casing and Pipe Swing Out Arms with Hydraulic Levels	95,000
90.	1-	<b>#CWR 273</b> Gréat Dane Stem Deck Dual Wheel Tandem Axle Trailer, S/N 1GRDM08264M700463 (New 2004), Casing and Pipe Arms, with Hydraulic Levels, 20-HP HPU with Current Certification	95,000
91.	1-	Shop Built Catwalk 8'6"W x 40'L, with 4 Swing Out Pipe Handling Arms, (2) Manual Stabilizer Outriggers	62,500
92.	1-	Shop Built Catwalk Pipe Handler, with 2-Side Mounted Swing Out Pipe Arms, (4) Hydraulic Outriggers, Hydraulic Rising Pipe Feeder, Walkway, 30-HP Electric Self Contained Hydraulic Unit	135,000
93.	1-	Trailer Mounted Catwalk Pipe Handling System, Mounted on a Dorsey Tri Axle Trailer, Vin: 1DTE16236RP032935 (New 1994), with (2) Hydraulic Outriggers, (4) Swing Out pipe Arms, Hydraulic Rising Pipe Feeder, 35-HP Electric Motor Self Contained Hydraulic Unit	175,000
94.	1-	<b>#3076</b> Falcon Model TD210, Dual Wheel Tri Axle Trailer, S/N 2F9T340H5Y6056622 (New 2000), Casing and Pipe Arms with Manual Levels	60,000
<b><u>TOOL PUSHER/CREW QUARTERS</u></b>			
95.	1-	<b>#PSS 402</b> Rocky Mountain Services Wellsite 12'W x 40'L Tool Pusher/Crew Quarters, S/N N/A (New 2001), with Standard Amenities, Bedroom, Office, Laundry with Piped Vacuum, Locking Storage Room and Ruffneck Washroom, Vin: 124010005ARROW5	33,500



Alken Basin Drilling Ltd. Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
96.	1-	<b>#PSS 497</b> QA Inc. Structures Wellsite 12'W x 56'L Tool Pusher/Crew Quarters, S/N SW12561100024 (New 2001), with Standard Amenities, Bedroom, Office, Laundry, with Piped Vacuum, Locking Storage Room and Ruffneck Washroom	37,500
97.	1-	<b>#PSS 403</b> Roadway Wellsite 12'W x 48'L Tool Pusher/Crew Quarters, S/N 402896 (New 1994), with Standard Amenities, Bedroom, Office, Laundry, with Piped Vacuum, Locking Storage Room and Ruffneck Washroom	33,500
98.	1-	<b>#PSS 410</b> QA Inc. Wellsite 12'W x 56'L Tool Pusher/Crew Quarters, S/N N/A (New 1997), with Standard Amenities, Bedroom, Office, Laundry, with Piped Vacuum, Locking Storage Room and Ruffneck Washroom	37,500
99.	1-	<b>#PSW 407</b> 2006 Roughneck Travel Trailer, VIN: 2TTNT30046R060638, Tandem Axle, 28' Self Contained	3,850
100.	1-	1997 Travel Air Coach Roughneck Tandem Axle Fifth Wheel Travel Trailer, VIN: 2TTNW2801WR980166, 28' Self Contained, Electric Brakes, Awning, Generator	2,750
101.	1-	<b>#PSW 411</b> 1999 Travel Air Roughneck Tandem Axle Travel Trailer, VIN: 2TTNT300XXR990996, Self Contained	2,000
102.	1-	Dodge Model R Vision Type D-291, Tandem Axle Travel Trailer, S/N RWYS48N276175164 (New 2007), with 26' Length, Self Contained, Awning, Rear Storage, Electric Brakes	6,350
<b><u>CORE SHACKS/PIPE TUBS</u></b>			
103.	1-	<b>#CSPT 650</b> Manufacturer Unknown Core Shack 32'L Pipe Tub, S/N CISU100371 7, 20' Modified Sea Can with Core Bench, In Wall Storage Bench	28,500
104.	1-	<b>#CSPT 654</b> Manufacturer Unknown Core Shack 32'L Pipe Tub, S/N CISU100726 6, 20' Modified Sea Can with Core Bench, In Wall Storage Bench	38,500



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Ref #	Qty.	Description	Forced Liquidation Value
			\$
122.	1-	<b>#CDHT 203</b> Falcon Model TD 215, Flat Deck Trailer, S/N 2F9T332H876056622 (New 2007), Coring Doghouse with Coring Bench, Knowledge Box, Utility Bench, Storage Compartments, Stamford Model NEMAMG1-20 50-kw Generator Powered by Isuzu Model BI-4HKLX Diesel Engine, 14,641 Hours, See Container S/N GH2612441	65,000
123.	1-	<b>#CDHT 204</b> Falcon Model TD 215, Flat Deck Trailer, S/N 2F9T332H176056623 (New 2007), Coring Doghouse with Coring Bench, Knowledge Box, Utility Bench, Storage Compartments, Stamford Model NEMAMG1-20 50-kw Generator Powered by Isuzu Model BI-4HKLX Diesel Engine  (Please Note: Located at Brion Resources, Information Provided by Company.)	65,000
124.	1-	<b>#CDHT 205</b> Victory Rig Flat Deck Trailer, S/N 2E9DPZ2J07R073030 (New 2007), Coring Doghouse, with Coring Bench, Knowledge Box, Utility Bench, Storage Compartments, Etc.	58,500
125.	1-	<b>#CDHT 206</b> Victory Rig Flat Deck Trailer, S/N 2E9DPZ2J17R073031 (New 2007), Tandem Dually Coring Doghouse, with Coring Bench, Knowledge Box, Utility Bench, Storage Compartments, 709 Hours	58,500
126.	1-	<b>#CDHT 207</b> Victory Rig Flat Deck Trailer, S/N 2E9DPZ2J37R073032 (New 2007), Tandem Dually Coring Doghouse, with Coring Bench, Knowledge Box, Utility Bench, Storage Compartments, Spare Tire and Rim	58,500
127.	1-	<b>#CDHT 209</b> Victory Rig Flat Deck Trailer, S/N 2E9DPZ2J77R073034 (New 2007), Tandem Dually Coring Doghouse, with Coring Bench, Knowledge Box, Utility Bench, Storage Compartments	58,500

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Ref #	Qty.	Description	Forced Liquidation Value
			\$
<b><u>BOILERS</u></b>			
128.	1-	<b>#BTM 102</b> 1998 Mack Model CH613, Single Steer Tandem Truck, VIN: 1M1AA18Y8WW091462, Powered by Mack Model E7-480 Diesel Engine Unitized with Maxitroque 18-Speed Manual Transmission, Cleaver Model PS50-150 50-HP Boiler, (New 1976), Standard Equipment, with Pumps, Interconnecting Piping, Fuel and Water Tanks, Boiler is Mounted in Modified 8'W x 20'L Container with Man Door, Boiler Certification, Showing 93,340-km and 25,000 Hours Not Certified	25,000
129.	1-	<b>#BSM 116</b> Volcano 100-HP Skid Mounted Boiler, S/N 1216-H (New 1979), Standard Equipment, Pumps, Interconnecting Piping, Fuel and Water Tanks, Boiler is Mounted in Custom Built Skidding Building Approx. 8'W x 28'L Container, with (1) Man Door, (1) Double Door and Roof Basket, Boiler Certification, Not Certified	55,000
130.	1-	<b>#BSM 108</b> Bethlehem 125-HP Skid Mounted Boiler, S/N E920FSI25C-7662-G2236 (New 1978), Standard Equipment, Pumps, Interconnecting Piping, Fuel and Water Tanks, Boiler is Mounted in Custom Built Skidding Building Approx. 8'W x 28'L Container, with (1) Man Door, (1) Double Door and Roof Basket, Boiler Certification  (Please Note: Certified.)	50,000
131.	1-	<b>#BSM 109</b> Saskatoon 60-HP Skid Mounted Boiler, S/N 4405 (New 2006), Standard Equipment, Pumps, Interconnecting Piping, Fuel and Water Tanks, Boiler is Mounted in Custom Built Skidding Building Approx. 8'W x 28'L Container, with (1) Man Door, (1) Double Door and Roof Basket, Boiler Certification  (Please Note: Certified. Not Inspected, Located in Brion Energy Job Location, Information Provide by Company.)	63,750



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Ref #	Qty.	Description	Forced Liquidation Value
			\$
132.	1-	<b>#BSM 110</b> Saskatoon 60-HP Skid Mounted Boiler, S/N 4406 (New 2006), Standard Equipment, Pumps, Interconnecting Piping, Fuel and Water Tanks, Boiler is Mounted in Custom Built Skidding Building Approx. 8'W x 28'L Container, with (1) Man Door, (1) Double Door and Roof Basket, Boiler Certification, Not Certified	63,750
133.	1-	<b>#BSM 111</b> Saskatoon 40-HP Skid Mounted Boiler, S/N 4411 (New 2007), Standard Equipment, Pumps, Interconnecting Piping, Fuel and Water Tanks, Boiler is Mounted in a Modified Skidded 20' Container, with (1) Man Door, (1) Double Door and Roof Basket, Boiler Certification, Not Certified	42,500
134.	1-	<b>#BSM 112</b> Saskatoon 40-HP Skid Mounted Boiler, S/N 4412 (New 2007), Standard Equipment, Pumps, Interconnecting Piping, Fuel and Water Tanks, Boiler is Mounted in a Modified Skidded 20' Container, with (1) Man Door, (1) Double Door and Roof Basket, Boiler Certification, Not Certified	42,500
135.	1-	<b>#701</b> Saskatoon 80-HP High Pressure Steam Boiler, S/N 3988 (New 1998), Standard Equipment, Pumps, Interconnecting Piping, Fuel and Water Tanks, Boiler is Mounted in Custom Built Skidded Building Approx. 8'W x 28'L Container, with (1) Man Door, (1) Double Door, Boiler Certification, Not Certified	46,750
136.	1-	<b>#BMT 212</b> Saskatoon 30-HP High Pressure Steam Boiler, S/N 4027 (New 2000), Standard Equipment, Pumps, Interconnecting Piping, Fuel and Water Tanks, Boiler is Mounted in a Modified Skidded 20' Container Approx. 8'W x 20'L Container, with (1) Man Door, (1) Double Door, Tralltech Flat Deck Trailer, Dual Wheel Tandem Axle, Boiler Certification, Not Certified	46,750
137.	1-	<b>#BMT 228</b> Volcano 25-HP Custom 20' Skid Boiler, S/N 8536 B (New 1979), Standard Equipment, Pump, Interconnecting Piping, Fuel and Water Tanks, Linden Tandem Axle Trailer, S/N W7915/3 (New 1975), 40-kw Generator, 7,507 Hours, Boiler Certification, Not Certified	33,500





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Ref #	Qty.	Description	Forced Liquidation Value
			\$
138.	1-	<b>#BMT 229</b> Saskatoon 30-HP High Pressure Steam Boiler, S/N 4028 (New 2001), Custom Built 16' Building, with Water Compartment, Standard Equipment, Pump, Interconnecting Piping, Fuel and Water Tanks, Centr 20' x 8' Trailer, S/N 5CNHF20201C00129 (New 2001), Dual Wheel Tri Axle Flat Deck Trailer, Boiler Certification, Not Certified	42,500
139.	1-	<b>#BTM 103</b> 1995 Mack Model 4964F, Tandem Axle Truck, VIN: 2WKPDCC5SK938682, Powered by CAT 3406 Diesel Engine Utilized with Eaton 16-Speed Manual Transmission, ODO-493970-km, 4,301 Hours, Williams & Davis 25-HP Boiler, S/N 7388 (New 1993), Mounted on Western Star Tandem Axle Truck, (New 1995), Boiler Certification, Not Certified, Showing 494,291 km and 4,301 Hours	42,500
140.	1-	<b>#BMT 232</b> Saskatoon Model FHL 80, 2,000,000 BTU Steam Boiler Generator, S/N 3904 (New 2004), with Standard Equipment, Mounted on 8'W x 8'H x 35'L Sea Container Type AC67050P, S/N AC69848, Mounted on a Tandem Axle Trailer Chassis with 6-Hand Crank Jack Stands, with 150-kw Diesel Generator	76,500
141.	1-	<b>#BTM10</b> 1990 GMC Tandem Axle Truck Boiler Generator, VIN: 4V1WDBRH7LN624065, with Detroit 60 Series Diesel Engine, 18-Speed Transmission, 36" Sleeper, 256" W.B., 22' Box Van Body, with Williams & Davis 30-HP Boiler, 700,468-km	33,500
142.	1-	<b>#BTM104</b> 1986 Western Star Tandem Axle Truck Boiler Generator, VIN: 2WKPDVCVGIGK915699, Powered by CAT 3406 Diesel Engine, Saskatoon 25-HP Oil Fired Boiler, S/N 4253 (New 2005), with Standard Equipment, Pumps, Interconnecting Piping and Water Tank, Stamford Model NEMAMG1-20 50-kw Generator, S/N M05B072942-6, Powered by Isuzu Model 4BGT Diesel Engine, Boiler and Generator are Mounted in Modified 20' Container, with Partitioned Generator Bay, Side Man Door and Lighting, Boiler Certified, Not Certified, Showing 739 Hours on the Generator, Truck showing 769,443-km and 1,350 Hours	37,500

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Ref #	Qty.	Description	Forced Liquidation Value
			\$
143.	1-	<p><b>#BTM 105</b>                      1990 Mack Model 6964F, Tandem Truck Boiler Generator, VIN:                      2WLTCCCH9MK928575, Powered by Cat 3406 Diesel Engine Rated at 425-HP                      Engine is Utilized with Eaton 13-Speed Manual Transmission, Williams &amp;                      Davis 30-HP Boiler, S/N 7263 (New 1993), with Standard Equipment, Pumps,                      Interconnecting Piping and Water Tank, Stamford Model NEMAMG1-20 50-kw                      Generator, S/N A05E399170, Powered by Isuzu Model 4BGT Diesel Engine,                      Boiler Certified</p> <p>(Please Note: Certified, Showing 403,032-km and 1,803 Hours and 7,652 Hours                      on the Generator.)</p>	37,500
144.	1-	<p><b>#BTH 106</b>                      1994 Mack Model R800, Dual Axle Tandem Truck Boiler Generator, VIN:                      1M2AA13Y7RW040445, with EZ460 350-HP Engine Utilized with Maxitorque                      13-Speed Manual Transmissions, Saskatoon 30-HP Boiler, S/N 4102 (New                      2011), with Standard Equipment, Pumps, Interconnect Piping and Water                      Tank, Stamford Model NEMAMG1-20 50-kw Generator, S/N J010291663, Powered                      by Isuzu Model 4BGT Diesel Engine</p> <p>(Please Note: Certified, Showing 358,881-km and 6,733 Hours and 8,685 Hours                      on Generator.)</p>	42,500
145.	1-	<p><b>#BTM 107</b>                      1994 Mack Model R800, Dual Axle Tandem Drive Truck, VIN:                      1M2P267C3RM020532, with E7-350 350-HP Engine Utilized by Maxitorque                      13-Speed Manual Transmission, Saskatoon 40-HP Boiler, (New 1995), with                      Standard Equipment, Pumps, Interconnecting Piping and Water Tank,                      Stamford Model NEMAMG1-20 50-kw Generator, Powered by Isuzu Model 4BGT                      Diesel Engine,</p> <p>(Please Note: Not Certified, Showing 209,447-km and 12,147 Hours and 12,147                      Hours on Generator.)</p>	42,500



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Alken Basin Drilling Ltd. Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
		<b><u>B.O.P.S.</u></b>	
146.	1-	<p><b>#Sub-401, Sub-402, Sub-403, Sub-11055</b>            (3) 9" Class 2 Full, (4) 7" Class 2 Full, (3) 7" Diverter Spools, (3) 9" Diverter Spools, (1) 9" B.O.P. at Ft. Class</p> <p>(Please Note: The B.O.P.S. are Stored at the Certification Shop until needed, Not Inspected, Information Provided by Company.)</p>	180,000
		<b><u>TUBULARS</u></b>	
147.	Lot	<p>Lot of Tubulars, Located in Rear Yard, Front Yard, Rigs, Trailers and Trucks, Consisting of:</p> <ul style="list-style-type: none"> <li>• (210) Joints of 4-1/2" x 9M Single White Band Core Pipe</li> <li>• (80) Joints of 4-1/2" x 6M Single Band Core Pipe</li> <li>• (182) Joints of 3-1/2" x 9M Single White Band Drill Pipe</li> <li>• (6) Joints of 4-1/2" x 9M Heavy Duty Drill Pipe</li> <li>• (68) Joints of 3-1/2" x 6M Not Banded Drill Pipe</li> <li>• (2) Joints of 9-5/8" x 6M Casing</li> <li>• (43) Joints of 2-7/8" x 6M Drill Pipe</li> <li>• (76) Joints of 3-1/2" x 6M Drill Pipe</li> <li>• (218) Joints of 4-1/2" x 6M Core Pipe</li> <li>• (71) Joints of 4-1/2" x 9M New Drill Pipe</li> <li>• (60) Joints of 4-1/2" x 9M Blue Band Drill Pipe</li> <li>• (72) Joints of 4-1/2" x 9M Banded Core Pipe</li> <li>• (15) Joints of 5" x 6M Drill Press</li> <li>• Assorted Drill Pipe on Rack</li> <li>• Assorted Flare, Drill and Core Pipe</li> <li>• (8) Joints of Gut Line Pipe</li> <li>• (8) Joints of Flare Pipe</li> <li>• (168) Joints of 4-1/2" x 6M Tested Core Pipe</li> </ul> <p>(Please Note: Pipe in Front Yard.)</p> <ul style="list-style-type: none"> <li>• (309) Joints of 4-1/2" x 9M Tested Core Pipe</li> <li>• (2) Joints of 6" x 6M Drill Collars</li> <li>• (2) Joints of 3-1/2" x 9M Tested Drill Pipe</li> <li>• (16) Joints of 5" x 9M Drill Collars</li> <li>• (66) Joints of 3-1/2" x 9M Drill Pipe</li> </ul> <p>(Please Note: Pipe on Rig No. 707.)</p>	365,000

Continued...



Alken Basin Drilling Ltd. Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
		<i>Continued...</i>	
		<ul style="list-style-type: none"> <li>(5) Joints of 5" x 6M Drill Collars</li> <li>(36) Joints of 4-1/2" x 6M Drill Pipe</li> </ul> (Please Note: Pipe on the Rigs.)	
		<ul style="list-style-type: none"> <li>(25) Joints of 4-1/2" x 6M on the Trailers</li> <li>(30) Joints of 4-1/2" x 9M on the Yard Trailers</li> </ul>	
		<b><u>HEAVY TRUCKS</u></b>	
148.	1-	<b>#P304</b> 1998 Ford Model 9000, Tandem Axle Truck, VIN: 1FDZS88F7WVA24640, with Pitman HL170 Crane, Cat 3406 Diesel Engine, Eaton Fuller 9-Speed Transmission, 8-Ton Capacity Pitman Hydrolift HL170 Crane, with 3-Stage Boom, 19' Steel Bed, (2) Hydraulic Outriggers, Showing 389,479 KM	35,000
149.	1-	<b>#T302</b> 1998 Western Star Model 4864Fx, Tandem Axle Truck, VIN: 2WKNDDXH7WK951646, with 48 Rears, Series 60 and 18-Speed Xmission, Casing Truck, with Sliding 5-Wheel, Wide Spread Air Ride Suspension, Showing 848,468 KM	17,500
150.	1-	<b>#FT314</b> 1993 Western Star Model 4964F, Tandem Axle Truck, VIN: 2WLPDCXH8PK2931500, with Detroit 60 Series Diesel Engine, Eaton Fuller 15-Speed Transmission, 264" W.B., 18' Steel Flat Bed, Hose Reels, Hobart Champion 10,000-Watt Welder Generator, S/N LG370252H with a V-Twin Kohler Gasoline Engine Showing 1,246 Hours, the Truck is Showing 274,256 KM	38,500

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Ref #	Qty.	Description	Forced Liquidation Value
			\$
151.	1-	<p><b>#BT313</b>            1980 Pacific Model P510S, High Clearance Bed Truck, VIN: T7960139, with Cummins Diesel Engine, 5-Speed Transmission, 4-Speed Auxiliary, 300" W.B., 21' Steel Flat Bed, Tulsa 60,000-Lb. Oilfield Winch, PTO, Head Ache Rack, 7-1/2" Rolling Tail Board, Gin Poles, 55,000-Lb. GVWR, Showing 55,369 KM and 8,743 Hours</p> <p>(Please Note: Has Rust Holes in the Cab.)</p>	8,500
152.	1-	<p><b>#T305</b>            1999 Western Star Model 4964SX, Tandem Axle Winch Truck, VIN: 2WKPDJCJ5XK956258, with Cat 3406E Diesel Engine, Eaton Fuller 18-Speed Transmission, 36" Sleeper, 242" W.B., PTO, Oilfield Bed Braden 60,000-Lb. Oilfield Winch, 24,400 KG GVWR, Showing 789,242 KM and 22,250 Hours</p>	21,500
153.	1-	<p><b>#WT306</b>            2006 International Model 75006X4 Water Truck, VIN: 1HTWPAZT76J347162, with Tandem Axle, Cat C-13 Diesel Engine, Eaton Fuller 13-Speed Transmission, PTO, 3" x 3" Centrifugal Water Pump, Advance 15,900 Liter Water Tank, S/N 2AESTHB006S000279, Showing 43,758 KM and 1,487 Hours</p>	55,000
154.	1-	<p><b>#WT307</b>            2006 International Model 75006X4 Water Truck, VIN: 1HTWNAZR16J229635, with Tandem Axle, Cat C-13 Diesel Engine, Eaton Fuller 13-Speed Transmission, PTO, 3" x 3" Centrifugal Water Pump, Advance 16,000 Liter Water Tank, S/N 2AESTHA095E000232</p>	55,000
155.	1-	<p><b>#T308</b>            2005 International Model 990016X4, Tandem Axle Truck, VIN: 2HSCHARP55C048696, with 46 Rears, 52,860 KG GVWR, Showing 226,906 KM and 7,528 Hours</p>	32,750
156.	1-	<p><b>#T309</b>            International Model 990016X4, Tandem Axle Truck, S/N 2HSCHAPR55C213243 (New 2005), with 46 Rears, Showing 57,834 KM and 3,667 Hours</p>	46,750
157.	1-	<p><b>#T310</b>            2005 International Model 990016X4, Tandem Axle Truck, VIN: 2HSCHAPR85C080638, with 46 Rears, 23,977 KG GVWR, Showing 104,878 KM and 5,596 Hours</p>	40,000



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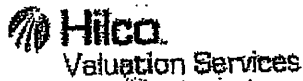
Ref #	Qty.	Description	Forced Liquidation Value
			\$
158.	1-	<b>#T311</b> 2005 International Model 990016X4, Tandem Axle Truck, VIN: 2HSCHAPR75C213244, with 46 Rears, Cummins ISX450 and 18-Speed Xmission, Showing 62,705 KM and 4,474 Hours	44,500
159.	1-	<b>#T312</b> 2006 International Model 990016X4, Tandem Axle Truck, VIN: 2HSCHAPR16C328671, with 46 Rears, Cummins ISX450 and 18-Speed Xmission, Showing 67,748 KM and 3,603 Hours	46,500
160.	1-	<b>#SU68</b> 2005 International Model 4400, Single Axle Pump Service Truck, VIN: 1HSMKAAN56H115849, with DT466 Diesel Engine, 10-Speed Transmission, PTO, 204' W.B., 12' Steel Flat Bed, 1999 Unic 5000 U-Turbo 4-Stage Hydraulic 10,000-Lb. Capacity Crane, S/N A511664, (2) Hydraulic Outriggers, Rod Maple TG6500 Watt Gasoline Generator, Showing 196,688 KM and 6,879 Hours	40,000
161.	1-	<b>#SU66</b> 2006 GMC Model C5500, Single Axle Pump Service Truck, VIN: 1GD5C3226F417966, with Duramax Diesel Engine, Automatic Transmission, PTO, 4-Wheel Drive, 154" W.B., 11' Steel Flat Bed, Tool Boxes, 25' Hydraulic Raise and Telescoping Boom, (2) Hydraulic Outriggers, Lincoln Ranger 250 GXT Portable Diesel Welder, S/N U109010123D Showing 134 Hours, Truck Showing 157,000 KM	49,500
162.	1-	<b>#WT17</b> 1998 Mack Model RD688S, Tandem Axle Rig Tender Truck, VIN: 1M2P267C4WM037450, with Mack E-7 Diesel Engine, 8LL Transmission, 267" W.B., 22' Steel Bed with 1,200-Gallon Water and 2,000-Gallon Fuel Capacity, Portable Welder, Pipe Bins, Tool Boxes, Showing 374,104 KM and 11,499 Hours	31,500
163.	1-	<b>#WT21</b> 1998 International Paystar Model 5000, Tandem Axle Rig Tender Truck, VIN: 1HTTGAET1WJ000077, with N-15 Cummins Diesel Engine, 10-Speed Transmission, 267" W.B., 22' Steel Bed with 1,200-Gallon Water and 2,000-Gallon Fuel Capacity, Portable Welder, Pipe Bins, Tool Boxes, Showing 677,844 KM and 3,862 Hours	31,500
164.	1-	<b>#P62</b> 1998 Mack Model RD688S, Tandem Axle Crane Truck, VIN: 1M2P270C4WM037366, with Mack E-7 Diesel Engine, 18-Speed Transmission, 263" W.B., 21' Steel Flat Bed, Simon RO TC3087, S/N 4890697097 Hydraulic Crane, with 3-Stage Boom, Hydraulic Outriggers, Showing 272,985 KM and 4,771 Hours	55,250

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Aiken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
165.	1-	#BT79 1991 Kenworth Model C500-B, Tandem Axle Winch Truck, VIN: 2XKCD80X8MM927223, with Cat 3406 Diesel Engine, 8LL Transmission, 332" W.B., 23' Steel Flat Oilfield Bed, 7-1/2" Rolling Tail Board, Fold Down Gin Poles, Braden 30,000-Lb. Winch, Head Ache Rack, Showing 120,923 KM and 3,760 Hours	50,000
166.	1-	#WT16 1998 Mack Model RD688S, Tandem Axle Rig Tender Truck, VIN: 1M2P267C8WM034419, with Mack E-7 Diesel Engine, 8LL Transmission, 267" W.B., 22' Steel Bed with 1,200-Gallon Water and 2,000-Gallon Fuel Capacity, Portable Welder, Pipe Bins, Tool Boxes, Showing 383,614 KM and 114,664 Hours	32,500
167.	1-	#P65 2008 Peterbilt Model PB340, Tandem Axle Crane Truck, VIN: 2NPRLN9X58M746883, with PX-8 Cummins Diesel Engine, 8LL Transmission, 260" W.B., 21' Galtec Steel Flat Bed, 2006 Effer 155-11-5S, S/N 113049, 5-Ton Hydraulic Knuckle Boom Crane, Hydraulic Outriggers, Showing 163,248 KM and 8,587 Hours	65,000
168.	1-	#WT307 1989 International Model 4700, Single Axle Flatbed Truck, VIN: 1HTSECFM0LH238824, with DT466 Diesel Engine, 6-Speed Transmission, 170" W.B., 12' Steel Flat Bed, Miller Bobcat 250 Diesel Portable Welder, S/N 1J230015H, Showing 365 Hours, the Truck is Showing 182,385 KM	7,500
169.	1-	#WT18 1982 Mack Model RD688S, Tandem Axle Rig Tender Truck, VIN: 2M2P141Y7CC001632, with Mack E-6 Diesel Engine, 13-Speed Transmission, 267" W.B., 22' Steel Bed with 1,200-Gallon Water and 2,000-Gallon Fuel Capacity, Miller Portable Welder, Diesel Generator, Showing 871 Hours, Pipe Bins, Tool Boxes, Showing 286,492 KM and 2,360 Hours	24,500
170.	1-	#WT3 1988 Mack Model RD688S, Tandem Axle Rig Tender Truck, VIN: 2M2P141C7JC006816, with Mack E-6 Diesel Engine, 8-Speed Transmission, 267" W.B., 22' Steel Bed with 1,200-Gallon Water and 2,000-Gallon Fuel Capacity, Hobart Portable Welder, Pipe Bins, Tool Boxes, Showing 108,011 KM and 3,081 Hours	26,500



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Ref #	Qty.	Description	Forced Liquidation Value
171.	1-	<b>#9</b> 1979 International Model F-5070, Tandem Axle Cab and Chassis Truck, VIN: D3117KG10717, with 8V71 Detroit Diesel Engine, 10-Speed Transmission, Double Frame, Hendrickson Spring Suspension, 235" W.B., Showing 24,998 KM and 1,694 Hours	\$ 3,000
172.	1-	<b>#W178</b> 2006 Kenworth Model C500-B, Tandem Axle Winch Truck, VIN: 1XKCDBOX87R992716, with Cat C-15 Diesel Engine, 18-Speed Transmission, 36" Sleeper, 246" W.B., Sliding 5th Wheel, 60,000-Lb. Self Contained Hydraulic Driven 60,000-Lb. Winch, Head Ache Rack, Recently Built Engine, Showing 574,689 KM and 19,999 Hours	82,500
<b><u>TRAILERS</u></b>			
173.	1-	<b>#FD256</b> 2004 Trailtech Flat Deck Trailer, VIN: 2CU2BE8L64201569, Gooseneck Hitch, 40'L, 10,000-Lb./Axle, Tandem Axle, Electric Brakes, 10,455 KG GVWR, Rub Rail, Wood Deck, 4-Nylon Tie Down Straps	4,000
174.	1-	<b>#CH 257</b> 2005 Manufacturer Unknown Flat Deck Pintel Hitch Trailer, VIN: 2H9CH140050085187, Tandem Axle, Electric Brakes, 10,455-KG GVWR, Rub Rail, Stake Pockets, Wood Deck, Removable Rear Ramps, Spare Tire and Rim	950
175.	1-	<b>#FD258</b> 1997 Bow Ridge Flat Deck Pintel Hitch Trailer, VIN: 2B9411829V1048268, with Mud Tank, 8'W x 4'D x 4'L, Tandem Axle, Electric Brakes, Wood Deck, 2-Hand Crank Jack Stands	4,650
176.	1-	Trailmobile Tandem Axle Van Trailer, VIN: N/A, with 45' Length, 8'W, Sliding Spring Suspension	950
177.	1-	<b>#LB81</b> 1993 Peerless Model LB50-SDLRSS-W-12A, Tri Axle Scissor Gooseneck Oilfield Trailer, VIN: 2PLG04030PBJ64860, with 10'W, 50' Length, 8-5/8" Rolling Tail Board, Wood Deck, Air Operated Gooseneck, Air Ride Suspensions, 123,238 KG GVWR	33,500



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Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
178.	1-	<b>#UT 240</b> 2008 Forest River Tandem Axle Enclosed Tag Trailer, VIN: 5NHUJBL6238T416357, with 3,175 KG GVRW, Electric Brakes, Ingersoll-Rand 5-HP Portable Air Compressor, Blast Cabinet	3,825
179.	1-	<b>#SU91</b> 2007 Rafab Tri Axle Field Support Trailer, VIN: 2R9CS93457P672038, with 66' Length, 114"W, Air Ride Suspension	8,500
180.	1-	<b>#X3049</b> 1996 Saturn 8 x 52 Tri Axle Gooseneck Trailer, VIN: 2S912R541TW010108, with Electric Brakes, Rub Rail, Stake Pockets  (Please Note: Gooseneck and Center Axle Missing.)	375
181.	1-	Trailmobile Tandem Axle Van Trailer, S/N 1231.6794.003 (New 1972), with 8"W, 45' Length  (Please Note: Used for Storage.)	750
182.	1-	<b>#CH85</b> 1997 Alco Tri Axle Oilfield Float Trailer, VIN: 2N9F35E30V1042245, with 53' Length, 8'6"W, Fold Up Landing Legs, 8-5/8" Rolling Tail Board, Rear Apron, Stake Pockets, Sliding Air Ride Suspension	24,500
183.	1-	Manufacturer Unknown 12' x 8' Tandem Axle Tag Trailer, VIN: N/A, with Electric Brakes	1,250
184.	1-	1984 Fruehauf Model FBXX128102, Single Axle Bull Nose Van Trailer, VIN: 2H8V02815FS013104, with 27,500-KG GVWR, 8'6"W, 28' Length  (Please Note: Used for Storage.)	1,450
185.	1-	<b>#CH85</b> 2011 ABU Trailers Inc. Tri Axle Tag Trailer, VIN: 4UGFP3037CD20930, with 30 Wood Deck, Electric Brakes, Rub Rail, Stake Pockets, Beavertail, Fold Up Rear Ramps	9,750
186.	1-	<b>#FD 259</b> 1997 Bow Ridge Flat Deck Pintel Hitch 24'L Trailer, VIN: 2B9411827V1048267, with Mud Tank, 8'W x 4'D x 4'L, Tandem Axle, Electric Brakes, Tool Box	4,500

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Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
187.	1-	<b>#FD 210</b> Superior Flat Deck Trailer, S/N 055152SD10M1B7414 (New 1984), Gooseneck Hitch, 40'L, TA-DA, 10,000-Lb. Axle, Tandem Axle, Electric Brakes, 53'L, Wood Deck, 7,000 kg GVWR, Rub Rails, Stake Pockets, Flat Tires	2,000
188.	1-	<b>#MTT 211</b> 2001 Trailtech Flat Deck 30' Pintel Hitch Trailer, VIN: 2CU138RAX12009035, Tandem Axle, Electric Brakes, 6,361 kg GVWR, Rub Rail, Wood Deck	3,750
189.	1-	<b>#FD213</b> 1992 Stewart 45' Trailer, VIN: 2S9F45031NV013017, Tri Axle, Electric Brakes, Wood Deck, 8'W x 52"L Water Tank, Rub Rail, Stake Pockets	8,500
190.	1-	<b>#FD215</b> 1992 Stewart 45'L Flat Deck 10,000-Lb. Trailer, VIN: 2S9F45037NV013006, Tri Axle, Electric Brakes, Wood Deck, Stake Pockets	3,250
191.	1-	<b>#FD222</b> 1986 Hobbs 48'L TA-DW Flat Deck Trailer, VIN: 1H5P048Z6EN013304, with Electric Winch, Slip Tank and Divider Rails, Tandem Axle, Sliding Spring Suspension, 8'6"W, Wood Deck, 600-Liter Diesel Fuel Tank	13,500
192.	1-	<b>#UV223</b> 1990 Utility 46'L TA-DW Flat Deck Trailer, VIN: 1UYV54388LT300410, with (2) Partitioned Utility Rooms, Bench and Steam Heat  (Please Note: Not Inspected, Located in Nisku, Information Provided by Company.)	1,000
193.	1-	<b>#FD224</b> 1987 Chieftain 40'L Trailer, VIN: 2C9PF4826HC034050  (Please Note: Missing Goose Neck.)	350
194.	1-	<b>#HB225</b> 1998 Wilson 48'L Highboy Trailer, VIN: 4WWBDB6B6WN600985, with Aluminum Construction, Tandem Axle, 89,250 KG GVWR, 8'6"W, 48' Length, Spring Suspension, Aluminum with Metal Frame	3,500
195.	1-	<b>#FD227</b> 1991 Fruehauf 45'L Flat Deck Tri-Axle Trailer, VIN: 2FEP04530MS007814, 38,000 KG GVWR, 8'6"W, 45' Length	3,750



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Ref #	Qty.	Description	Forced Liquidation Value
186.	1-	<b>#FD231</b> 1998 Gerys Tri-Axle Oilfield Float Trailer, VIN: 2A9PF4534WN125360, with 51' Length, 8'6", Wood Deck, 8-5/8" Rolling Tail Board, Rear Apron, Fold Up Legs, Air Ride Suspension, Stake Pockets, Rust Scale	14,500
197.	1-	<b>#GN200</b> 2010 Hefty Tandem Axle Gooseneck Trailer, VIN: 5NKGU2622AP005191, with 8' x 26' Wood Deck, 20,000 KG GVWR, Electric Brakes	6,350
198.	1-	<b>#CH84</b> 2001 Trailtech Tandem Axle Tag Trailer, VIN: 2Cui38RA112009036, with 8' x 24' Wood Deck, Rub Rail, Stake Pockets, 6,361 KG GVWR, Fold Up Rear Ramps, Spare Tire and Tim, Electric Brakes	2,850

**CEMENT EQUIPMENT**

199.	1-	<b>#CT320</b> 2005 Sterling Tri Axle Cement Mixer, VIN: 2FZHAZHADL35AU08743, with Cat C13 Reimer 10 Cubic Meter Cement Mixer, with 10-Yard Volumetric Mixer Body, S/N 000482	77,500
200.	1-	<b>#CT321</b> 2006 Sterling Tri Axle Cement Mixer, VIN: 2FZPAZDE26AU51486, with Cat C13 Reimer 12 Cubic Meter Cement Mixer, with 12-Yard Volumetric Mixer Body, S/N 000217	82,500
201.	1-	<b>#CDT245</b> 2005 Continental 16' Tri Axle Cargo Trailer, VIN: 5NUHCC6255N045056, with Displacement Pump, 4" P/B Truck Hydraulic, with Electric Brakes, 3,175 KG GVWR	14,500
202.	1-	<b>#Silo 1</b> Wheatland Silo, S/N 20050924490 (New 2005), with Westfield Auger 1012-55EBM, Single Axle Wheels and Tires	17,500
203.	1-	<b>#Silo 2</b> Wheatland Silo, S/N 20050303-23763 (New 2005), with Westfield Auger 1012-55EBM, Single Axle	16,500



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Ref #	Qty.	Description	Forced Liquidation Value
			\$
204.	1-	1994 International Model 2574, Tandem Axle Cement Mixer, VIN: 1HTGAET3SH613269, with N012 Cummins Diesel Engine, 18-Speed Transmission, 254"W W.B., PTO, Challenger Model 1008-3WBL-2805, 10-Cubic Yard Drum Mixer Body, Showing 280,669 KM and 10,431 Hours	15,000
205.	1-	Manufacturer Unknown Hydraulic Driven Progressive Cavity Grouting Pump	1,850
208.	1-	Shop Built Tandem Axle Trailer, S/N N/A, Mounted Grout Pump, with 2" x 2" Hydraulic Driven Progressive Grout Pump, Operated by the Rigs Hydraulics, Water Tank, Grout Bag Storage Box, Tool Box, Rear Grout/Cement Hopper	14,500
207.	1-	#CMT101 2009 Manufacturer Unknown Tandem Axle Grout/Cement Trailer, VIN: 2DAEC42664T003803, with 20' Length, Tool Box, Progressive Cavity Grout/Cement Pump, Cement Box, Rub Rail, Stake Pockets, Electric Brakes, Wood Deck	10,000
<b><u>FLARE TANKS</u></b>			
208.	1-	#FT664 Manufacturer Unknown 8'W x 12'L Flare Tank, with Dual Diffusers	13,500
209.	1-	#FT665 Manufacturer Unknown 8'W x 12'L Flare Tank, with Dual Diffusers	13,500
210.	1-	#FT666 Manufacturer Unknown 8'W x 12'L Flare Tank, with Dual Diffusers	13,500
211.	1-	#FT667 Manufacturer Unknown 8'W x 12'L Flare Tank, with Dual Diffusers	13,500
<b><u>CHOKE MANIFOLDS</u></b>			
212.	1-	#M668 Manufacturer Unknown 3 x 3K Manifold, with (10) Gate Valves and (2) Manual Chokes, Manifold is Mounted in 8'W x 12'L Shack, with Steam Heat and Fluorescent Lighting	21,500

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Ref #	Qty.	Description	Forced Liquidation Value
			\$
213.	1-	<b>#M669</b> Manufacturer Unknown 4 x 3K Manifold, with (10) Gate Valves and (2) Manual Chokes, Manifold is Mounted in 8'W x 12'L Shack, with Steam Heat and Fluorescent Lighting	21,500
<b><u>CONSTRUCTION EQUIPMENT</u></b>			
214.	1-	<b>#BC88</b> Thomas Model 183HD Skid Steer Loader, S/N LJ000139 (New 1990), with F.R.O.P.S., Manual Quick Coupler, Standard Flow Auxillary Hydraulics, 78" Dirt Bucket, Showing 2,742 Hours	8,000
215.	1-	Atlas Copco Model GA315, Station Rotary Screw Air Compressor, S/N AIF131743, with 369-HP Electric Motor, 132-psi and 1,500-cfm, with Metal Sound Proof Enclosure	35,000
216.	1-	<b>#L93</b> Caterpillar Model IT28 Wheel Loader, S/N 8RC03288, with Cat 3116 Diesel Engine, Power Shift Transmission, Cab with Heat and A/C, Hydraulic Quick Coupler, 100" G.P. Bucket with Bolt on Edge, 48" Pallet Forks, CWS Industries Model WL040-FRP48 Forks, S/N E61623 with Hydraulic Top Clamp	45,000
217.	1-	Doosan Model P260, Portable Air Compressor, S/N 445583VHWQE55 (New 2012), with Yanmar 4-Cylinder Diesel Engine, Fenders, Trailer Mounted, Showing 303 Hours	15,750
218.	1-	<b>#FL89</b> Sellick Model SD80, 4 x 2 Forklift Truck, S/N 2127405832 (New 1994), with Cummins 3.9-Liter Diesel Engine, Power Shift Transmission, F.R.O.P.S. 3-Stage Mast, Hydraulic Side Shift, 8,000-Lb. Capacity, 48" Forks, Showing 7,820 Hours	9,750
219.	1-	<b>#G90</b> Gallon Model 503, 4 x 6 Straight Frame Motor Grader, S/N 503-DJ-3074 (New 1959), with International Gasoline Engine, 5-Speed Transmission, Cab with Heat, 10' Hydraulic Mold Board, Wheel Leaning, Showing 1,276 Hours	10,000



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Ref #	Qty.	Description	Forced Liquidation Value
			\$
220.	1-	<p><b>#BC92</b> Bobcat Model S220 Skid Steer Loader, S/N 526212809 (New 2005), with F.R.O.P.S. Cab, Hydraulic Quick Coupler, High/Low Flow Auxillary Hydraulics, Hydraulic Top Clamp Pipe 48" Forks</p> <p>(Please Note: The Cab Door is Missing.)</p>	15,000
<b><u>PICKUP TRUCKS</u></b>			
221.	1-	<p><b>#LT330</b> 2011 Ford Model F-350, 4x4 Crew Cab, King Ranch Light Pickup Truck, VIN: 1FT8W3BT2BEC59587, Powerstroke Diesel, Automatic Transmission with Heating &amp; Air Conditioning, 8' Bed, GPS, 80-Liter Fuel Tank, Leather Interior, Moon Roof, Running Boards, Good Tires 35x12.50R20</p> <p>(Please Note: Mileage 82,793.)</p>	37,500
222.	1-	<p><b>#LT329</b> 2009 Ford Model F-350, 4x4 Crew Cab, Lariat SD Pickup Truck, VIN: FT8W38T9BEA92595, Powerstroke Diesel, Air Ride Suspension, Leather Interior, Moon Roof, Running Boards, Tires 35x35R20</p> <p>(Please Note: Mileage 134,467.)</p>	22,000
223.	1-	<p><b>#LT326</b> 2009 Ford Model F-350, 4x4 Crew Cab, SD Pickup Truck, VIN: 1FTWW31R09EA05299, Powerstroke Diesel, Automatic Transmission, with Heating &amp; Air Conditioning, 8' Bed, Fuel Tank, Pipe Racks, Running Boards, Tires 275/70R16</p> <p>(Please Note: Mileage 109,534.)</p>	22,750
224.	1-	<p><b>#LT328</b> 2009 Ford Model F-350, Crew Cab, SD Pickup Truck, VIN: 1FTWW31R89EA04160, Powerstroke Diesel, Automatic Transmission, with Heating &amp; Air Conditioning, 8' Bed, Fuel Tank, Pipe Racks, Tires 275/70R16</p> <p>(Please Note: Mileage 99,504.)</p>	23,000

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Ref #	Qty.	Description	Forced Liquidation Value
			\$
225.	1-	#LT324 2008 Ford Model F-350, 4x 4 Crew Cab, SD Pickup Truck, VIN: 1FTWW31R38EC91390, Powerstroke Diesel, Automatic Transmission, with Heating & Air Conditioning, 8' Bed, Fuel Tank, 40-Liter, Pipe Racks, Tires 275/70R16  (Please Note: Mileage 158,218.)	17,250
226.	1-	#LT77 2012 Ford Model F-150, 4x4 Crew Cab, Raptor Pickup Truck, VIN: 1FTFW1R66CFB15077, 6.2-Liter Fuel Tank, Automatic Transmission, with Heating & Air Conditioning, Leather Interior, Tires 315/7017  (Please Note: Miles 50,000.)	42,125
227.	1-	#LT327 2008 Ford Model F-350, 4x 4 Crew Cab, SD Pickup Truck, VIN: 1FTWW31R59EA02740, Powerstroke Diesel, Automatic Transmission, with Heating & Air Conditioning, 8' Bed, Fuel Tank, Pipe Racks, Tires 275/70R16  (Please Note: Mileage 197,596.)	15,825
228.	1-	#t41 2005 Chevy Model 2500HD, 4x 4 Club Cab, SD Pickup Truck, VIN: 1GCHK2955E170670, Duramax DSL, Automatic Transmission, with Heating & Air Conditioning, 8' Bed, Tool Box, Fuel Tank, Pipe Racks, Running Boards, Tires 245/75R16	10,625
229.	1-	#LT325 2009 Ford Model F-350, 4x4 Crew Cab, SD Pickup Truck, VIN: 1FTWW31R99EA05298, Powerstroke Diesel, Automatic Transmission with Heating & Air Conditioning, 8' Bed, Fuel Tank, Pipe Racks  (Please Note: Mileage 134,485.)	22,000

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Ref #	Qty.	Description	Forced Liquidation Value
230.	1-	<p><b>#LT332</b>            2012 Ford Model F-150, Crew Cab, Platinum Pickup Truck, VIN: 1FTFW1ET5CFBS7248, Eco Boost Gas, Automatic Transmission, with Heating &amp; Air Conditioning, 6' Be, Bed Liner, Leather Interior, Pipe Racks, Moon Roof, Auto Running Boards, Tires 275/55R20</p> <p>(Please Note: Mileage 36,484.)</p>	\$ 33,500
231.	1-	<p><b>#LT73</b>            2012 Ford Model F-150 XLT, 4x4 Crew Cab Pickup Truck, VIN: 1FTFW1ET8CKD86547, Automatic Transmission with Heating &amp; Air Conditioning, 6' Bed, Pipe Racks, Running Boards, Moon Roof, Side Bed Aluminum Tool Boxes, Tires 245/55R20</p> <p>(Please Note: Mileage 44,138.)</p>	25,250
232.	1-	<p><b>#LT74</b>            2012 Ford Model F-150 XLT, 4x4 Crew Cab Pickup Truck, VIN: 1FTFW1ETXCKD86551, Automatic Transmission with Heating &amp; Air Conditioning, Pipe Racks, Running Boards, Moon Roof, Tool Box, Fuel Tank, Tires 245/55R20</p> <p>(Please Note: Mileage 34,812.)</p>	26,250
233.	1-	<p><b>#LT44</b>            2006 Chevy Model 2500HD, 4x4 Club Cab Pickup Truck, VIN: 1GCHK29D07E112809, Duramax DSL, Automatic Transmission, with Heating &amp; Air Conditioning, 6' Bed, Tool Box, Fuel Tank, Pipe Racks</p> <p>(Please Note: Mileage 87,100.)</p>	16,500
234.	1-	<p><b>#LT323</b>            2008 Ford Model F-350, 4x4 Crew Cab, SD Pickup Truck, VIN: 1FTWW31R78EC69988, Powerstroke Diesel, Automatic Transmission, 8' Bed, Fuel Tank, Running Boards, Pipe Racks, Tires 275/70R18</p> <p>(Please Note: Mileage 187,034.)</p>	15,825





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Ref #	Qty.	Description	Forced Liquidation Value
235.	1-	#LT42 2005 Chevy Model 2500HD, 4x4 Club Cab Pickup Truck, VIN: 1GCHK29205E206766, Duramax DSL, Automatic Transmission, with Heating & Air Conditioning, 8' Bed, Tool Box, Fuel Tank, Pipe Racks, Running Boards, Tires 245/75R16  (Please Note: Mileage 284,536.)	\$ 10,500
236.	1-	#LT43 2006 GMC Model 1500, 4x4 Club Cab, Sierra Pickup Truck, VIN: 1GTEK19C67Z165416, Gas, Automatic Transmission, with Heating & Air Conditioning, 8' Bed, Tool Box, 50-Gallon Fuel Tank, Pipe-Racks, Running Boards, Tires Good  (Please Note: Mileage 304,229.)	4,000
237.	1-	#LT70 2010 GMC Model 2500HD, 4x4 Crew Cab Pickup Truck, VIN: 1GT423C88BF153319, Duramax Diesel, Automatic Transmission, 8' Bed, Dual Rear Wheels, Recessed 5th Wheel Hitch, Tool Box, Tires Good  (Please Note: Mileage 75,815.)	27,950
238.	1-	#LT75 2012 Ford Model F-150 XLT, 4x4 Crew Cab Pickup Truck, VIN: 1FTFW1ET2CKD71879, Eco Boost Gas, Automatic Transmission with Heating & Air Conditioning, Running Boards, Moon Roof, Back-Up Camera, Tires 25/R20  (Please Note: Mileage 41,495.)	21,750
239.	1-	#LT72 2012 Ford Model F-150 XLT, 4x4 Crew Cab Pickup Truck, VIN: 1FTFW1ET8CKD71885, Eco Boost Gas, Automatic Transmission with Heating & Air Conditioning, 8' Bed, Running Boards, Moon Roof, Back-Up Camera, Tires 295/55R20	21,750
240.	1-	#LT43 2007 GMC Model 1500, 4x4 Club Cab, Sierra Pickup Truck, VIN: 1GTEK19V67Z165416, Gas, Automatic Transmission, with Heating & Air Conditioning, 6' Bed, Tools, Pipe Racks, Running Boards, Tires Good	12,500



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Ref #	Qty.	Description	Forced Liquidation Value
241.	1-	#LT39 2005 GMC Model 2500HD, 4x4 Club Cab Pickup Truck, VIN: 1GTHK29215E131039, Duramax Diesel, Automatic Transmission, with Heating & Air Conditioning, 8' Bed, Tool Box, Pipe Racks, Tires 245/75R16  (Please Note: Mileage 230,112.)	\$ 11,625
242.	1-	#LT331 2011 Ford Model Expedition, 4 x 4 Sport Utility Vehicle, VIN: 1FMJV1650BEF19129, Gas, Automatic, Leather interior	22,325
243.	1-	#LT27 1996 Chevy Model 2500HD, 4x4 Standard Cab Pickup Truck, VIN: 1GOGC24R8TZ120414, Gas, Automatic, 8' Bed, Pipe Rack, Tool Box  (Please Note: Mileage 312,069.)	475

SHOP EQUIPMENT

244.	Lot	Miscellaneous Shop Equipment Throughout Facility, Consisting of: (1) Lehman 28" x 144" Manual Lathe, (1) Flagro 390,000-BTU Torpedo Heater, (2) 36" Man Fans, (2) Parts Washer, (1) Coleman 1600 Gasoline Generator, (2) Small Torpedo Heaters, (1) Rack, (1) Fire Chemical Cabinet, (1) 10-Ton Floor Jack, (1) Vallen Stein Vacuum pump, (1) Electric Paint Sprayer, (1) Pallet Jack, (3) Battery Chargers, (1) Eagle 5-HP Portable Air Compressor, (2) 14" Chop Saws, (1) 6' Step Ladder, (1) ITC 080-06754 7" x 12" Horizontal Band Saw, (1) Miller Matic 251 Mig Welder, S/N LE424835, (1) Canwood Pro 10" Drill Press, S/N CWD11-300, (1) Milwaukee Magnetic Drill, S/N 4297-1, (1) Giant 50-Ton Press, (3) Double 8" Bench Grinder, (2) Work Bench, Assorted Parts Bins & Tool Boxes, (1) Master Craft 9" Band Saw, (1) Bust Bee B178 18' Drill Press, (1) Lincoln Electric DC Welder, (1) 10" Chop Saw, (1) Carolina HV20 16" x 12' Horizontal Band Saw, S/N 2001706, (1) El-Tec 225 Mig Welder, S/N B89E074, (1) Set of Torches, (1) Ridgid Pipe Threader, with Dies, (1) Thermal Dynamics Cut Master 75 Plasma Cutter, (1) Porta Power, (1) 2" Belt Sander, (1) Carolina CBP1200 55-Ton Press, (1) Ridgid Pipe Stand, (1) Dyna Blast Heated Pressure Washer, (1) Binding Cart, (1) Karcher Professional Hot Pressure Washer, (1) 2" Portable Water Pump, (1) Devair 10-HP Air Compressor, with 100-Gallon Vertical Tank	26,500
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Ref #	Qty.	Description	Forced Liquidation Value
			\$
<b><u>SUPPORT EQUIPMENT</u></b>			
245.	1-	Miscellaneous Support Equipment Throughout Facility, Consisting of: (1) 68" Skid Steer Dirt Bucket, (1) Brown-Boveri 17.5 KW Portable Generator, S/N 020-1990T-007, with (2) Cylinder Perkins Diesel Engine, (6) 8'W x 40'L Rig Mats, (8) 8'W x 20'L Rig Mats, (1) 8' x 20' Sea Storage Container Mounted on Oilfield Skid, (1) Drilling Fluids 4' x 6' Shale Shaker, S/N 7068, (1) Hella Model HL-L5500-2s 1-1/2 Ton Knuckle Boom Crane Attachment, S/N 7444-96, (1) Multi Quip Model DCA-100SSJU 58-KW Portable Generator, S/N DB1101J, with John Deere 6066T Diesel Engine, Showing 11,629 Hours, (1) 2007 Yamaha Rhino 660 4 x 4 Utility Vehicle, Vin: 6Y4AM08W37A300824, with Winch and 6' Snowplow, (1) Shop Built Hydraulic Pipe Jacks, with Bowl and Slips, (1) Shop Hydraulic Pipe Jacks, with Bowl and Slips, (1) Hydraulic Casing Hammer, (1) Lincoln Ranger 250 GX Portable Welder, S/N U1090101230, with 135 Hours, (1) Miller Trailblazer 302 Diesel Portable Welder, S/N LJ170188Q, (1) IT Diesel Model 25V Portable Generator, S/N U0256/1, 25-KW, with 1,647 Hours, (1) 2006 Newage Portable 28-KW Generator, S/N 0149848/08, with Isuzu Diesel Engine, with 1,637 Hours, (1) LeRoi Dresser Model Q900DC Portable Air Compressor, S/N 3066X110, with 6V-71 Diesel Engine, with 1,357 Hours, (1) Iron Rough Neck Hydraulic Pipe Arm Assembly, S/N N/A, with 3-Sets of Pipe Clamps, (1) 200-Gallon Vacuum Tank, S/N 8844, with Rear Clean Out Hatch, (1) 82" Skid Steer Dirt Bucket, (1) Viking 48" Skid Steer Hydraulic Pipe Forks, (1) Zipper TS18 Zero Turn Riding Mower, S/N 960228	185,500
<b><u>INVENTORY</u></b>			
246.	Lot	Used Tri-Cone Drill Bits, Consisting of: 1-21" Used Tri-Cone Drill Bit, (3) 12" Used Tri-Cone Drill Bits, (1) 18" Used Tri-Cone Drill Bit, (1) 9-3/4" Used Tri-Cone Drill Bit, (2) 11" Used Tri-Cone Drill Bits, (1) 14" Used Tri-Cone Drill Bits, (2) 6-1/23" Used Tri-Cone Drill Bits	7,750



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Ref.#	Qty.	Description	Forced Liquidation Value
			\$
247.	Lot	Assorted Support Equipment Outside, Consisting of: (1) 6 Cubic Foot Sand Blast Pot, (1) 6 Cubic Foot Sand Blast Pot, with Top Load System, (1) Set of BJ Power Tongs, (1) 5-Speed Transmission, (1) Gear Box, (2) BV Oil Tool Pipe Tongs, (1) 3" Power Swivel, (2) Pullmaster H8 Hydraulic Winch, (1) Pullmaster HL 25 Hydraulic Winches, (1) 6-1/4" Center Latch Elevator, (1) 6-1/2" Center Latch Elevator, (4) Chain Tongs, (1) DV Systems Portable Air Compressor, (1) Malson Hydraulic Winch	28,750
248.	Lot	Contents of Sea Storage Container No. 13, Consisting of: (1) 8' x 20' Sea Storage Container, (25) Pails of B.O.B. Nuts & Bolts, (10) Storage Rack, (6) Parts Bins, (10) Vases of Anti-Freeze, (50) Jugs of Diesel Fuel Conditioner, (1) Binding Cart, (4) 10-Ton Jacks, (1) 5-Ton Floor Jack, (1) 3-Ton Floor Jack, (1) 10-Ton Pneumatic Jack, (1) Hydraulic Filter Catty, (1) Battery Charger, (1) Part Washer, (1) 5 Lateral 5-Drawer File, (1) 50-Gallon Hot Water Electric Heater	9,500
249.	Lot	Contents of Sea Storage Container No. 14, Consisting of: (1) 8' x 20' Sea Storage Container, (9) Storage Racks, (50) Timpkin Bearings, (2) Oil Hubs, (25) Pipe Wrenches, (1) Chrysler Ball Joint Puller, (4) 5-Ton Bottle Jacks, (1) 5-Ton Porta Power Kit, (2) Punch Locks, (2) 1/2" I.R. Impact Wrenches, (1) 3/4" Impact Wrench, Assorted Hose Clamps, (9) 2-1/2" Boss Hose Clamps, (2) Chain Vises, (3) Welding Helmets, Assorted Welding Rod, (1) Ridgid 535 Series Pipe Threader, (5) Pressure Gauges, (5) B.O.P. 3000-psi 3/4" Hoses, (3) 250-psi 1-1/2" Steam Hose, (1) 250-psi 2" x 50' Hose, (1) Mud Pup Liner Puller, (2) Boiler Circulating Pumps, (2) 10" Pipe Cutters	11,250
250.	Lot	Contents of Bit Storage Sea Container, Consisting of: (1) 8' x 20' Sea Storage Container, (28) 6-1/4" New Tri-Cone Bits, (9) 7-7/8" New Tri-Cone Bits, (12) 8-3/4" New Tri-Cone Bits, (8) 9-7/8" New Tri-Cone Bits, (4) 12-1/4" New Tri-Cone Bits, (16) 6-3/4" New Tri-Cone Bits, (11) 8" New Tri-Cone Bits, Rock Bits Consisting of: (12) 4-3/4" New Tri-Cone Bits, (2) 4-1/2" New Tri-Cone Bits, (4) 4-1/4" New Tri-Cone Bits, (136) 5" New Tri-Cone Bits, Core Drill Bits, Consisting of: (49) 8R51U New Bits, (3) 8p141U New Bits, Hammer Bits, Consisting of: (2) 5-1/8" Button Bits, (3) 5-1/4" Button Bits, (4) 5-3/4" Button Bits, (12) Rock Bits, (4) 6" Button Bits, (2) 7-1/2" Button Bits, (1) 8" Button Bit, (1) 12" Button Bit, Down Hole Hammers, Consisting of: (2) 5-1/2" Hammer, (1) 5" Hammer, (1) 7" Hammer	130,250



Alkon Basin Drilling Ltd. Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
251.	Lot	Contents of Brown Bit Building, Consisting of: (28) 6-1/4" New Tri-Cone Bits, (1) 6" New Tri-Cone Bit, (24) 6-1/8" New Tri-Cone Bits, (5) 5-7/8" New Tri-Cone Bits, (1) 5-3/4" New Tri-Cone Bit, (1) 6-3/4" New Tri-Cone Bit, (9) 7-7/8" New Tri-Cone Bits, (1) 4-1/2" New Tri-Cone Bit, (4-3) 4" New Tri-Cone Bits, (10) 4-3/4" New Tri-Cone Bits, (1) 3-3/8" New Tri-Cone Bit, (2) 3-7/8" New Tri-Cone Bits, (20) 7-7/8" New Tri-Cone Bits, (4) 6-3/4" New Tri-Cone Bits, (1) 7-3/4" New Tri-Cone Bit, (18) 8-3/4" New Tri-Cone Bits, (3) 6-1/2" New Tri-Cone Bits, (2) 12" New Tri-Cone Bits, (1) 13' New Tri-Cone Bit, (1) 13-1/2" New Tri-Cone Bit, (4) 9" New Tri-Cone Bits, (15) 9-7/8" New Tri-Cone Bits, (2) 9-1/2" New Tri-Cone Bits, (2) 12-1/4" New Tri-Cone Bits, (1) 14-1/2" New Tri-Cone Bit, (1) 13" New Tri-Cone Bit	80,500
252.	Lot	Miscellaneous Equipment Located In Storage Sheds and Shipping Containers, Detailed Note on File with Hilco Valuation Services	1,150,000
		<b><u>WIFI TOWER</u></b>	
253.	1-	One Complete WIFI Tower, with Wiring and Connections (New 2013)	12,000
		<b><u>NETWORK SYSTEM</u></b>	
254.	1-	One Network System Consisting Of: HP Server, Dell Power Edge 1600C Server, Pulsar Evolution 500 Patch Panel, 12" Flat Screen, Keyboard & Mouse, Cisco Router, APC Battery Back Up, Metal Rack, Complete with Wiring and Connections	1,750
		<b><u>OFFICE FURNITURE</u></b>	
255.	Lot	Office Furniture Consisting of: Assorted Modular Desk Units, Legal & Letter, 4-Drawer File Cabinets, 2 & 4-Drawer Lateral File Cabinets, Secretarial Chairs, Open Upholstered Chairs, PC Stands, Desk, Etc.	11,500
		<b><u>TELEPHONE SYSTEM</u></b>	
256.	1-	Telephone System, Consisting of: Interface, (12) Phones with Paging and Voice Mail	500

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Alken Basin Drilling Ltd., Bentley, Alberta, Canada

Ref #	Qty.	Description	Forced Liquidation Value
			\$
TOTAL FORCED LIQUIDATION VALUE			\$19,965,050

This is Exhibit "B" referred to in the Affidavit of  
Craig Boyer, sworn before me at the City of  
Toronto in the Province of Ontario  
this 21 day of February, 2016.  
N. Birch

Oliver  
A COMMISSIONER FOR TAKING OATHS IN AND FOR  
THE PROVINCE OF ONTARIO

**DEBENTURE**

**Grantor:** ALKEN BASIN DRILLING LTD.  
 (Corporate Access No. 202930590)  
 (the "Grantor")

**Principal Sum:** \$28,500,000

**Due:** ON DEMAND

**Interest Rate:** Twenty-one percent (21%) per annum, calculated and compounded monthly, or such lesser rate as set in the Credit Agreement (as defined below)

**Date:** March 31, 2014

The Grantor, FOR VALUE RECEIVED, hereby acknowledges itself indebted and promises to pay to or to the order of CALLIDUS CAPITAL CORPORATION (the "Lender"), ON DEMAND, the sum of TWENTY-EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS (\$28,500,000) in lawful money of Canada, at such place as the Lender may designate by notice in writing to the Grantor from time to time, and to pay interest on the principal sum outstanding and all other amounts from time to time owing hereunder to the date of payment at a rate of twenty-one percent (21%) per annum both before and after demand, default and judgment or such lesser amount as set out in the Credit Agreement (as defined below). Unless otherwise stated in the Credit Agreement, such interest shall be calculated monthly, not in advance, and be payable in like money at the same place commencing on the first day of the month immediately following the date hereof and thereafter on the first day of each and every month in each year until the principal sum outstanding and all other amounts from time to time owing hereunder shall be paid in full. Interest on overdue interest shall be calculated, and shall be due and payable, in the same manner and at the same time and place as aforesaid.

**ARTICLE 1.**  
**INTERPRETATION**

**1.1. Definitions**

In this Debenture, unless the context shall otherwise require, all capitalized terms used but not expressly defined herein shall have the meanings ascribed thereto in the Credit Agreement and the following words and terms shall have the following meanings:

- (a) "Buildings" means all buildings, erections, works and other improvements whatsoever which now or which may hereafter be constructed, erected or placed upon the Lands or any part thereof;
- (b) "Charged Property" means the undertaking and other properties and assets, real and personal, present and future, of the Grantor that are or are intended to be, for the time being and from time to time, subject to any assignment, mortgage, pledge, charge or security interest created under Section 2.1 of this Debenture or any instruments supplemental hereto and all references to the Charged Property



contained herein, unless the context shall otherwise require, shall include a reference to any part thereof;

- (c) "Contracts" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the business of the Grantor (including, without limitation, all contractual rights, benefits and options thereunder and the Leases), or any part thereof together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and "Contract" means any one of them;
- (d) "control" has the meaning given to it in the STA;
- (e) "Credit Agreement" means the credit agreement dated as of March 31, 2014 between the Grantor, as borrower and the Lender, as lender, as such agreement may be amended, supplemented, modified, restated or replaced from time to time;
- (f) "Expenses" means any and all costs, charges, fees, expenses and commissions incurred from time to time by the Lender, or any Receiver, including, without limitation, all costs, charges, fees, expenses and commissions incurred in connection with any disclosure requirements pursuant to the PPSA, in the preparation of the Credit Agreement and any other Credit Documents, in the perfection or preservation of the Security hereof, in enforcing payment or performance of the Credit Documents, the security given pursuant thereto, the Obligations or any part thereof or in locating, taking possession of, transporting, holding, repairing, processing, preparing for and arranging for the disposition of and/or disposing of the Charged Property and any and all other expenses incurred by the Lender or any Receiver as a result of the Lender or a Receiver exercising any of its rights, remedies or powers hereunder and all other expenses incurred hereunder or in connection herewith, including, without in any way limiting the generality of the foregoing, any and all legal fees and expenses determined on a solicitor and his or her own client basis, including those incurred in any legal action or proceeding or appeal therefrom commenced or taken by the Lender and all fees and disbursements of any accountant or valuator or similar person employed by the Lender in connection with any of the foregoing;
- (g) "Fixtures" means all apparatus, equipment, machinery and plant whatsoever, including, without limitation, all air conditioning, cooling, electric, gas, heating, plumbing, refrigeration and ventilating equipment, all boilers, electric light fixtures, elevators, furnaces and pressure vessels, and all other items which are necessary or desirable for the intended use of the Lands or the Buildings which now or which may hereafter be placed or installed upon the Lands or the Buildings or used in connection therewith whether or not attached to the Lands or the Buildings other than by their own weight;
- (h) "Intangibles" has the meaning set forth in Section 2.1(d)(vii) hereof;
- (i) "Intellectual Property" shall mean all issued patents and patent applications, industrial design registrations, trade-marks, registrations and applications therefor,

trade-names and styles, logos, copyright registrations and applications therefor, all of the foregoing owned by or licensed to the Grantor and used in or necessary to the operation of its business;

- (j) "Inventory" means all inventory of the Grantor determined in accordance with generally accepted accounting principles, including all goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all finished goods, work in progress, raw materials, stores, supplies and maintenance items, wares and merchandise, returned goods, repossessed goods, and all packaging materials, supplies and containers and all other materials and supplies wherever located, to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of any of the foregoing or of any other products in connection with the business of the Grantor;
- (k) "Lands" means all real property or interests in real property presently owned or after-acquired by the Grantor, including the Grantor's present and future, together with all appurtenances, the Buildings, the Fixtures, improvements and all Leases, leasehold estates, easements, rights of way, licences, undersurface rights, servitudes and every other real property interests, whether now or hereafter existing or acquired;
- (l) "Leasehold Property" means all real property occupied or used by the Grantor that is the subject of a Lease and in respect of which the Grantor now has or hereafter will have a leasehold estate or interest or is a tenant or lessee;
- (m) "Leases" means any and all leases, agreements to lease, offers to lease, licences, rights of use or occupancy and tenancies (whether as tenant or landlord) whatsoever in respect of all or any portion of the Lands or the Leasehold Property, the business of the Grantor or any personal property owned, held or used by the Grantor, now in existence or hereafter entered into, together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof;
- (n) "Negotiable Collateral" means chattel paper, instruments, certificated securities or negotiable documents of title;
- (o) "Obligations" means any and all indebtedness, liabilities and obligations, whether now or hereafter existing, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred and any ultimate unpaid balance thereof, in any currency, and whether incurred by the Grantor alone or with another or others, of the Grantor to the Lender arising under or in connection with the Credit Agreement or any other Credit Document and including, without limitation, all Expenses and all, obligations and liabilities arising under or in connection with this Debenture, the Security hereof or the realization of the Collateral;
- (p) "PPSA" has the meaning set forth in Section 1.2 hereof;

- (q) "Permit" means any permit, license, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of law, of, by or from any Governmental Entity, all as amended, supplemented or otherwise modified or replaced from time to time;
- (r) "Person" includes a natural person, a partnership, a joint venture, a trust, a fund, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity;
- (s) "Receiver" means a receiver, receiver-manager or a receiver and manager appointed hereunder;
- (t) "Rents" means all rents, issues, proceeds and profits due or accruing due under any agreements in respect of the Lands or under any Lease or otherwise due or accruing due in respect of the Lands or the Leasehold Property;
- (u) "Security hereof" means, collectively, the mortgages, charges, grants, conveyances, transfers, assignments, pledges, hypothecations and security interests created pursuant to Section 2.1 hereof; and
- (v) "STA" means the *Securities Transfer Act* (Alberta) and the regulations thereto (as amended from time to time).

## 1.2. PPSA Terms Incorporated by Reference

Terms defined in the *Personal Property Security Act* (Alberta) and the regulations thereto (as amended from time to time, the "PPSA") and not otherwise defined in this Debenture shall have the same meaning herein, unless there is something in the subject matter or context inconsistent therewith.

## ARTICLE 2. SECURITY

### 2.1. Grant of Security

Subject to Sections 2.4 and 2.5 hereof, as security for the due payment and performance of the Obligations from time to time, the Grantor hereby grants, conveys, mortgages, charges, assigns and transfers and grants a security interest to and in favour of the Lender, in all of the Grantor's assets, undertaking and property, real and personal, tangible and intangible, whether now owned or hereafter acquired, including:

- (a) as and by way of a fixed and specific mortgage, transfer, grant, conveyance and charge, all of the estate, right, title and interest of the Grantor in and to the Lands, the Buildings and the Fixtures;

Days of such acquisition and will forthwith upon receipt by the Grantor, deliver to the Lender such Negotiable Collateral and shall, at the request of the Lender:

- (i) cause the transfer thereof to the Lender to be registered wherever, in the reasonable opinion of the Lender, such registration may be required or advisable;
  - (ii) where appropriate, duly endorse the same for transfer in blank or as the Lender may direct; and
  - (iii) use its best efforts to forthwith deliver to the Lender any and all consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Lender or its nominee or, upon the enforcement of the Security hereof, any third party.
- (b) If the Grantor acquires Charged Property consisting of investment property (other than certificated securities) after the date hereof, the Grantor will notify the Lender in writing within 10 Business Days of such acquisition and upon request by the Lender, enter into a control agreement with the relevant securities intermediary, futures intermediary or issuer and the Lender (in form and substance satisfactory to the Lender) or otherwise grant control over such investment property as the Lender requires or considers necessary or desirable to perfect or better perfect its security interest in such investment property or to give the security interest improved priority over the investment property (including, without limitation, delivering to the Lender an irrevocable agreement of the relevant securities intermediary, futures intermediary or issuer that such Person will comply with instructions originated by the Lender without the further consent of the Grantor, or causing such securities intermediary, futures intermediary or issuer to register the Lender or its agent or nominee, as directed by the Lender, as the registered owner of such investment property).

#### 2.4. Scope of the Security hereof

Notwithstanding anything herein contained:

- (a) nothing in Section 2.1 shall be construed as an assignment by the Grantor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract or Permit which, as a matter of Applicable Laws or by its terms, is non-assignable without the consent of some other Person unless such consent has been obtained. The Grantor shall forthwith use its best efforts to obtain any such required consents. Subject to the following provisos, until such consent has been obtained, the Security hereof shall not attach to such Contract or Permit but the Grantor shall hold its interest therein in trust for the Lender, provided that:
  - (i) forthwith upon;
    - A. the applicable consent being obtained; or

B. the Security hereof becoming enforceable as contemplated in Article 7,

without the necessity of any further action, confirmation or assurance being taken or given by the Grantor, Lender or any other Person, the Security hereof shall forthwith apply and attach to such Contract or Permit; and

(ii) the Security hereof shall attach in all cases to any and all accounts, receivables, chattel paper and money due or to become due under such Contracts or Permits;

(b) the Security hereof shall not extend to consumer goods; and

(c) the Security hereof shall not extend or apply to the last day of any term of any Lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Grantor as lessee in respect of any real property, provided that the Grantor shall stand possessed of any such reversion upon trust to assign and dispose thereof as the Lender may direct.

#### **2.5. Right to exploit Intellectual Property**

Until the Security hereof shall have become enforceable, the grant of the Security hereof in the Intellectual Property shall not affect in any way the Grantor's right or obligation to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Grantor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.

#### **2.6. Grant of Licence to Use Intellectual Property**

At such time the Security hereof shall have become enforceable, the Grantor grants (to the extent permitted by the terms of any licence, if applicable) to the Lender an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to royalty or other compensation to the Grantor) to use, assign or sub-licence any Intellectual Property in which the Grantor has rights wherever the same may be located. The licence granted under this Section 2.6 is to enable the Lender to exercise its rights and remedies under Article 7 and for no other purpose.

#### **2.7. No Assumption by Lender**

The Lender will not be deemed in any manner to have assumed any obligation of the Grantor under any Contract or Permit nor shall the Lender be liable to any Governmental Entity or contract counterparties by reason of any default by any Person under any Contract or Permit. The Grantor agrees to indemnify and hold the Lender harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Grantor's duty and obligation to perform and discharge the terms, covenants and agreements in any Contract or Permit.

**2.8. Nature of Security hereof**

It is expressly acknowledged by the Grantor that, notwithstanding any right or authority granted to the Grantor herein or in any other agreement or instrument, including without limitation the Credit Agreement, to deal with the Charged Property, it is the intention of the Grantor and the Lender that the Security hereof shall operate and be construed as a fixed and specific charge of all Charged Property in respect of which the Grantor presently has rights, and as a fixed and specific charge of all after-acquired Charged Property which shall attach forthwith upon the Grantor acquiring rights therein, and (ii) except as provided in subsection 2.1(e) hereof, the Security hereof shall neither operate nor be construed as a floating charge.

**2.9. Enlargement**

The mortgages, assignments, transfers, grants, conveyances and charges created by subsections 2.1(a) and 2.1(b) hereof are intended to be mortgages, assignments, transfers, grants, conveyances and charges of the entire estate, right, title and interest of the Grantor in and to the Lands, the Buildings and the Fixtures or, subject to subsection 2.4(c) hereof, the Leasehold Property, as the case may be, and each and every part thereof and, if the estate, right, title and interest of the Grantor in and to any such Charged Property enlarges, the mortgages, assignments, transfers, grants, conveyances and charges hereof will be enlarged and extended to constitute mortgages, assignments, transfers, grants, conveyances and charges of such enlarged estate, right, title and interest promptly upon the acquisition thereof by the Grantor and without the necessity of any further act on the part of the Grantor and will become and be subject to the Security hereof as fully and completely as though now owned by Grantor.

**2.10. Each Lot Charged**

Every part, parcel, lot or strata lot into which the Lands or any part thereof are or may hereafter be divided does and will stand charged with the whole of the Principal Sum, interest and all other amounts payable hereunder and no Person will have any right to require the Principal Sum, interest of or any other amount secured hereby to be apportioned upon or in respect of any such part, parcel, lot or strata lot.

**2.11. Right of Set-Off**

The Obligations secured by this Debenture shall be paid, when due, by the Grantor to the Lender without regard to any equities existing among the Grantor and the Lender and without regard to any right of set-off or cross-claim or of any claim or demand of the Grantor against the Lender or otherwise.

**2.12. Lender's Rights**

- (a) Except as required by any mandatory provision of the PPSA, the Lender shall not be bound to collect, dispose of, realize, protect or enforce any of the Grantor's right, title and interest in and to the Charged Property or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Lender shall not be required to take any steps necessary to preserve rights against other persons in respect of any Negotiable Collateral.

- (b) The Lender may, before or after the Security hereof shall have become enforceable, notify any person obligated on an account or on chattel paper, or any obligant on an instrument, of this Debenture and may, after the Security hereof shall have become enforceable:
- (i) direct any one or more of such persons to make payment under any one or more of such accounts, chattel paper or instruments, as the case may be, to the Lender. Any payments on or other proceeds of the Charged Property received by Grantor from any person obligated on an account or on chattel paper or from any obligant on any instrument after the Security hereof shall have become enforceable, shall be received and held by the Grantor in trust for the Lender and shall be turned over to the Lender upon request; and
  - (ii) assume control of any proceeds arising from the Charged Property or any portion thereof.
- (c) If the Grantor fails to perform any covenant on its part contained in this Debenture then the Lender may, in its absolute discretion, but without any obligation whatsoever, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Lender may make such payment, but shall be under no obligation to do so, and all sums so paid or expended by the Lender shall be immediately payable by the Grantor, shall bear interest at the highest rate set forth in the Credit Agreement until paid and shall be secured hereby, having the benefit of the Security hereof in priority to the indebtedness evidenced by this Debenture. No such performance or payment shall relieve the Grantor from any default under this Debenture or any consequences of such default.

### ARTICLE 3. REPRESENTATIONS AND WARRANTIES

The Grantor represents and warrants to the Lender that as of the date of this Debenture:

#### 3.1. Real Property

- (a) The Grantor has no fee simple interests in real property except as set forth in Part I of Schedule A.
- (b) The Grantor has no leasehold interests in real property except as set forth in Part II of Schedule A.
- (c) Other than as described above, the Grantor has no other interests in real property except as set forth in Part III of Schedule A.

#### 3.2. Address

The address of the chief executive office, principal place of business and office where the Grantor keeps its records respecting accounts is set out in Schedule B.

**3.3. Location of Collateral**

With the exception of Inventory in transit, all tangible assets of the Grantor are situate at the addresses set out in Schedule B.

**3.4. Intellectual Property**

Schedule C sets out all Intellectual Property owned or used by the Grantor.

**3.5. Investment Property**

- (a) Part I of Schedule D lists all investment property owned by the Grantor or in which the Grantor otherwise has interests or rights in.
- (b) Part II of Schedule D sets out in the case of investment property which is:
  - (i) certificated securities, the location of the certificates;
  - (ii) uncertificated securities, the location of the issuer's jurisdiction;
  - (iii) securities accounts or securities entitlements, the securities intermediary's jurisdiction; and
  - (iv) futures accounts or futures contracts, the future's intermediary's jurisdiction.

**3.6. Serial Numbered Goods**

The Grantor has no "serial numbered goods" except as described in Schedule E.

**ARTICLE 4.  
COVENANTS OF THE GRANTOR**

So long as any of the Obligations exist, the Grantor covenants and agrees as follows:

**4.1. Maintain Collateral**

The Grantor shall keep all equipment comprising part of the Charged Property (other than obsolete equipment) in good working order and condition, subject to normal wear and tear, and shall not use such equipment in violation of the provisions of this Debenture or any other agreement between the Grantor and the Lender relating to Collateral or any policy insuring Charged Property or any applicable statute, law, by-law, rule, regulation or ordinance.

**4.2. No Accessions**

The Grantor shall prevent any Charged Property from being or becoming an accession to property other than Charged Property.



**4.3. Fixtures**

The Grantor acknowledges and agrees that no Charged Property acquired by the Grantor after the date hereof shall become affixed to any real property unless prior written notice is given to the Lender at least thirty business days prior to the affixation.

**4.4. Delivery of Documents**

The Grantor shall deliver to the Lender from time to time promptly upon request:

- (a) All statements of account, bills, invoices and books of account relating to Accounts and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Charged Property for the purpose of inspecting, auditing or copying the same;
- (b) All policies and certificates of insurance relating to Charged Property; and
- (c) Such information concerning the Charged Property, the Grantor and its business and affairs as the Lender may reasonably request.

**4.5. Creating and Preserving the Security Hereof**

The Grantor shall, from time to time at the request of the Lender, make and do all such acts and things and execute and deliver all such instruments, agreements, financing statements and documents as the Lender reasonably requests by notice in writing given to the Grantor in order to create, preserve, perfect, validate or otherwise protect the Security hereof, to enable the Lender to exercise and enforce its rights and remedies hereunder and generally to carry out the provisions and purposes of this Debenture and, for greater certainty, the Grantor shall, from time to time at the request of the Lender, execute a power of attorney in such form as may be reasonably satisfactory to the Lender.

**4.6. Restrictions on Dealings with Collateral**

Except as provided in Section 4.7 or the Credit Agreement, the Grantor agrees that it shall, without the prior written consent of the Lender:

- (a) Not change its chief executive office and principal place of business;
- (b) Not sell, assign, transfer, exchange, lease, consign or otherwise dispose of any Charged Property;
- (c) Not locate any Charged Property, other than Inventory in transit, at any location other than those set out in Section 3.1 and 3.3;
- (d) Not create, assume or suffer to exist any Lien upon the Charged Property other than the Permitted Encumbrances;
- (e) Not deliver or grant control over any investment property to any Person other than the Lender; and

- (f) Not grant extensions of time for payment of any accounts, or compromise, compound or settle any accounts for less than the full amount, or release or partially release any Person liable for any account or allow any credit or discount of any account,

provided that no provision hereof shall be construed as a subordination or postponement of the Security Interest to or in favour of any other Encumbrance, whether or not such Encumbrance is a Permitted Encumbrance.

**4.7. Permitted Dealings with Collateral**

Other than as provided in the Credit Agreement, unless and until an Event of Default has occurred and is continuing, the Grantor may, without the consent of the Lender:

- (a) sell, assign, transfer, exchange, lease, consign or otherwise dispose of Inventory in the ordinary course of its business;
- (b) sell or otherwise dispose of such part of its equipment which has become worn out or obsolete or unsuitable for the purpose for which it was intended;
- (c) collect accounts in the ordinary course of its business; and
- (d) commit any other acts expressly permitted by the Credit Agreement.

**4.8. Verification of Collateral**

The Lender shall have the right at any time and from time to time to verify the existence and state of the Charged Property in any reasonable manner the Lender may consider appropriate, and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Charged Property may be located and to all premises occupied by the Grantor.

**4.9. Renewals of Leases**

The Grantor shall exercise all renewal options it has in respect of Leasehold Property.

**4.10. Defend**

The Grantor shall promptly notify the Lender of any Encumbrance or other claim made or asserted against any of the Charged Property and shall defend the Lender's Security hereof in the Charged Property against any and all claims and demands whatsoever including any adverse claim as defined in the STA.

**4.11. Notification**

The Grantor shall notify the Lender promptly of: (a) any change in the information contained in any of the Schedules to this Debenture, (b) details of the acquisition of "serial numbered goods" and any other significant acquisition of Charged Property, (c) any loss or

damage of any Charged Property, and (d) any default by any account debtor in any payment or performance of its obligations with respect to any Charged Property.

**ARTICLE 5.  
INVESTMENT PROPERTY**

**5.1. Registration in Lender Name**

In addition to the rights granted to the Lender pursuant to Section 2.3 in respect of investment property, if the Charged Property at any time includes investment property, upon the occurrence and during the continuance of an Event of Default, the Grantor authorizes the Lender to transfer the same or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear as the sole owner of record thereof.

**5.2. Voting and Other Rights**

- (a) Subject to the terms of the Credit Agreement, so long as no Event of Default has occurred and is continuing:
  - (i) the Grantor may exercise all rights to vote and to exercise all rights of conversion or retraction or other similar rights with respect to any investment property; provided that no such exercise, in the reasonable opinion of the Lender, will have an adverse effect on the value of such investment property and all expenses of the Lender in connection therewith have been paid in full and provided further that, upon the exercise of the conversion right or retraction right, the additional investment property or money resulting therefrom shall be paid or delivered to the Lender; and
  - (ii) the Grantor shall be entitled to receive all dividends (whether paid or distributed in cash, securities or other property) and interest declared and paid or distributed in respect of the investment property.
- (b) Upon the occurrence of an Event of Default and during the continuance thereof:
  - (i) no proxy granted by the Lender or its nominee to the Grantor or its nominee in respect of any investment property shall thereafter be effective;
  - (ii) the Grantor shall have no rights to vote or take any other action with respect to any investment property;
  - (iii) the Lender may, but shall not be obligated to, vote and take all other action with respect to any investment property; and
  - (iv) the Grantor shall cease to be entitled to receive any dividends or interest, whether declared or payable before or after the occurrence of an Event of Default in respect of investment property and such dividends or interest

shall be received by the Grantor in trust and paid to the Lender in accordance with Section 6.2.

**ARTICLE 6.  
COLLECTION OF PROCEEDS AND ACCOUNTS**

**6.1. Control of Proceeds and Accounts**

After the occurrence of an Event of Default and during the continuance thereof, the Lender may at any time take control of any proceeds and accounts, and the Lender may notify any account debtor of the Grantor or any debtor under any instrument held by the Grantor or the Lender in satisfaction *pro tanto* of the Obligations hereunder to make payment directly to the Lender whether or not the Grantor has theretofore been making collections on the Charged Property. Upon the request in writing by the Lender at any time including prior to the occurrence of an Event of Default, the Grantor shall notify account debtors or debtors under any instrument held by the Grantor to make payment directly to the Lender upon the occurrence of an Event of Default. The Lender may, in its discretion, apply such payments in satisfaction *pro tanto* of the Obligations or hold such payments as further Charged Property hereunder.

**6.2. Dividends, Proceeds and Accounts Received in Trust**

After the occurrence of an Event of Default and during the continuance thereof, if the Grantor shall collect or receive any dividends or interest payments or any accounts or shall be paid for any of the other Charged Property or shall receive any proceeds, all money so collected or received by the Grantor shall be received by the Grantor as trustee for the Lender and shall be paid to the Lender forthwith upon demand and the Lender may, in its discretion, apply such in satisfaction *pro tanto* of the Obligations or hold such payments as further Charged Property hereunder.

**ARTICLE 7.  
ENFORCEMENT**

**7.1. Default**

The Security hereof shall be and become enforceable and the floating charge created pursuant to subsection 2.1(e) hereof shall crystallize and constitute a fixed charge on all Charged Property that was subject to such floating charge immediately prior to such crystallization, all upon:

- (a) the occurrence of an Event of Default; or
- (b) the occurrence of any other event which by operation of law would result in the floating charge hereof becoming a fixed charge on the Charged Property charged thereby.

**7.2. Remedies**

Whenever the Security hereof shall have become enforceable and in addition to any other remedies available at law or in equity or contained in any other instrument, agreement or

document executed by the Grantor in favour of the Lender, all of which remedies shall be independent and cumulative, the Lender may realize upon the Charged Property and enforce the rights of the Lender by:

- (a) entry onto the Lands, the Leasehold Property and any real property referred to in Section 2.1 hereof and any other premises where any Charged Property may be located;
- (b) entry into possession of the Charged Property and removal of any Charged Property constituting tangible personal property by any method permitted by Applicable Laws;
- (c) the institution in any court of competent jurisdiction of proceedings for the foreclosure or sale of the Charged Property of any portion thereof;
- (d) selling or leasing, or concurring in the selling or leasing, of the whole or any part of the Charged Property and, in exercising the foregoing power to sell or lease the Charged Property, the Lender may in its absolute discretion:
  - (i) sell or lease the whole or any part of the Charged Property by public or private tender or by private contract;
  - (ii) grant options to purchase or lease or both;
  - (iii) grant rights of first refusal to purchase or lease or both;
  - (iv) complete any contract for sale, lease, option or right of first refusal;
  - (v) grant exclusive and multiple listing contracts for sale or lease;
  - (vi) sign and file subdivision, condominium, strata, consolidation or other plans;
  - (vii) effect a sale or lease by conveying in the name of or on behalf of the Grantor or otherwise;
  - (viii) make any stipulation as to title or conveyance or commencement of title;
  - (ix) rescind or vary any contract of sale, lease, option or right of first refusal;
  - (x) resell or release without being answerable for any loss occasioned thereby;
  - (xi) sell on terms as to credit as appear to be most advantageous to the Lender and if a sale is on credit the Lender will not be accountable for any moneys until actually received; and
  - (xii) make any arrangements or compromises the Lender thinks expedient,

and for such purposes the Grantor hereby irrevocably empowers the Lender so appointed as its attorney to execute deeds, transfers, leases, contracts, agreements

or other documents on its behalf and in its place and the same will bind the Grantor and have the same effect as if such deeds were under the Grantor's common seal or to affix the Grantor's common seal or a duplicate thereof to any of the same;

- (e) collection of any income, profits or proceeds arising in respect of the Charged Property;
- (f) collection, realization or sale of or other dealing with any Rents and accounts, provided that, the collection of such amounts from the tenants or other persons responsible for the payment thereof shall not constitute the Lender a mortgagee-in-possession unless the Lender provides written notice to such tenants or other persons that the Lender has determined to take possession;
- (g) the exercise of any contractual, legal or other rights or interests of the Grantor under or in respect of the Charged Property;
- (h) the payment of any Lien that may exist or be threatened against the Charged Property, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations and be secured by the Security hereof;
- (i) the appointment by instrument in writing of a Receiver or agent of the Charged Property and the removal or replacement of such Receiver or agent from time to time;
- (j) the commencement of proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Charged Property;
- (k) the filing of any and all proofs of claim and other documents in order to have the claims of the Lender in any bankruptcy, winding-up, or other judicial proceeding relating to the Grantor; and
- (l) the set-off and application against the Obligations, to the fullest extent permitted by Applicable Laws, of any and all monies to be paid by the Lender to the Grantor under the Credit Agreement or any other agreement made by the Grantor with or in favour of the Lender.

All remedies, rights and powers of the Lender prescribed herein shall be cumulative and no remedy, right or power herein conferred or reserved is intended to be exclusive or dependent upon any other and the Lender may exercise its remedies, rights and powers hereunder separately or in combination at any time. The exercise of any one or more of the remedies, rights or powers contemplated herein shall in no way limit the rights of the Lender to claim for any deficiency in respect of the Obligations.

### **7.3. Additional Rights**

In addition to the remedies of the Lender set forth above, the Lender may, whenever the Security hereof shall have become enforceable:

- (a) require the Grantor, at the Grantor's expense, to assemble the Charged Property consisting of tangible personal property, or one or more portions thereof, at a place or places designated by notice in writing by the Lender to the Grantor;
- (b) require the Grantor, to disclose to the Lender the location or locations of the Charged Property consisting of tangible personal property, or one or more portions thereof;
- (c) process, modify, improve, complete, maintain, manage, operate, repair, renew, replace and restore the Charged Property or any part thereof, and to prepare for the disposition of the Charged Property, or any portion thereof, whether on the Lands or otherwise;
- (d) subject to Applicable Laws, carry on all or any part of the business of the Grantor and to employ and discharge any persons on the terms and at the remuneration the Lender considers proper, and, to the exclusion of all others including the Grantor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Grantor with respect to its business, including, without limitation, the Lands, the Leasehold Property and the Buildings, for such time as the Lender sees fit, free of charge, and the Lender shall not be liable to the Grantor for any act, omission or negligence in so doing (other than gross negligence or wilful misconduct) or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;
- (e) subject to Applicable Laws, borrow for the purpose of carrying on the business of the Grantor or for the maintenance, preservation or protection of the Charged Property and grant a Lien in, on or of the Charged Property, or any portion thereof, whether or not in priority to the Security hereof, to secure repayment;
- (f) to continue with the construction and development of any or all Buildings being undertaken by the Grantor on the Lands with such variations, additions or deletions thereto as the Lender may approve or carry on the business of the Grantor relating to the Charged Property or any part thereof and to exercise all of the powers conferred on the Lender under this Debenture;
- (g) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Charged Property, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the accounts or Rents or any Contract or Permit or other obligation of any third party to the Grantor; and
- (h) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of investment property which constitute Charged Property, and in connection therewith may deposit or surrender control of the Charged Property, accept money or other property in exchange for the Charged Property, and take such action as it deems proper in

connection therewith, and any other money or property received in exchange for the Charged Property shall be held by the Lender thereafter as part of the Charged Property pursuant to the provisions hereof.

#### **7.4. The Receiver**

- (a) Any Receiver appointed by the Lender shall be vested with the rights and remedies which could be exercised by the Lender in respect of the Grantor or the Charged Property and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The Lender shall have the sole and unfettered discretion with respect to the appointment of the Receiver and similar discretion with respect to the appointment of any other Receiver in his place and as to the remuneration of any such Receiver or replacement Receiver.
- (b) Any Receiver appointed by the Lender shall act as agent for the Lender for the purposes of taking possession of the Charged Property, but otherwise and for all other purposes (except as provided below and with respect to its discharge) shall constitute the agent for the Grantor. The Receiver may sell, lease or otherwise dispose of the Charged Property as agent for the Grantor or as agent for the Lender (but in all cases shall take direction from the Lender) as the Lender may determine in its sole and unfettered discretion. The Grantor shall ratify and confirm all actions of the Receiver acting as agent for the Grantor and release and indemnify the Receiver in respect of all such actions.
- (c) The Lender shall not incur liability to the Receiver, the Grantor or any other person in appointing or refraining from appointing any Receiver and shall not be responsible for or incur any liability in respect of any act, omission, misconduct or negligence of any Receiver.

#### **7.5. Appointment of Attorney**

The Grantor hereby irrevocably appoints the Lender (and any officer thereof) as attorney of the Grantor (with full power of substitution in the premises) to exercise in the name and on behalf of the Grantor after the Security hereof shall have become enforceable any of the Grantor's right (including the right of disposal), title and interest in and to the Charged Property, including the execution, endorsement and delivery of any agreements, documents, instruments, investment property, documents of title and chattel paper and any notices, receipts, assignments or verifications of accounts and the Rents. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, omission or negligence in so doing (other than gross negligence or wilful misconduct) or any other matter or thing in connection therewith.

#### **7.6. Lender's Dealing with the Charged Property**

- (a) The Lender shall not be obliged to exhaust its recourses against the Grantor or any other person or persons or against any other security it may hold in respect of the Obligations or pursuant to the Credit Agreement before realizing upon or



otherwise dealing with the Charged Property in such manner as it may consider desirable.

- (b) The Lender may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Grantor and with other persons, sureties or securities as it may see fit, all without prejudice to the Obligations or the rights of the Lender in respect of the Charged Property.
- (c) The Lender shall not be:
  - (i) bound under any circumstance to realize upon the Charged Property;
  - (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Charged Property;
  - (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Charged Property or for the purpose of preserving any rights of the Lender, the Grantor or any other Persons in respect thereof;
  - (iv) responsible for any loss occasioned by any sale or other dealing with the Charged Property or by the retention of or failure to sell or otherwise deal therewith; or
  - (v) bound to protect the Charged Property from depreciating in value.

#### **7.7. Application of Payments**

All monies from time to time received by the Lender or a Receiver may be applied as follows:

- (a) first, in payment of the fees and disbursements charged by the Receiver (if any) in connection with the enforcement of this Debenture;
- (b) second, in payment of all expenses made or incurred by the Lender or the Receiver in connection with the management, operation, construction, repair, alteration or extension of the Charged Property, including amounts paid to any person holding security in respect of the Charged Property in priority to this Debenture, and all taxes, insurance premiums and every other expenditure made or incurred in respect of the Charged Property or any part thereof; and
- (c) third, in payment to the Lender of monies payable hereunder and to the Lender in respect of the Obligations; and all monies so received may be held by the Lender as security for the Obligations or applied in such manner as may be determined in the discretion of the Lender and the Lender may at any time apply or change any such appropriation of such payments or monies to such part or parts of the Obligations as the Lender may determine in its discretion.

**7.8. Liability for Deficiency**

The Grantor shall remain liable to the Lender for any deficiency from the realization of any Charged Property and shall pay the full amount of such deficiency to the Lender forthwith; and any surplus realized after the satisfaction of all Obligations shall be paid to the Grantor or in accordance with Applicable Laws.

**7.9. Standards of Sale**

Without limiting any other provision hereof and without prejudice to the ability of the Lender to dispose of the Charged Property constituting personal property in any manner which is commercially reasonable, the Grantor acknowledges that a disposition of Charged Property by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) the Charged Property may be disposed of whether or not the Lender has taken possession thereof;
- (b) the Charged Property may be disposed of in whole or in part;
- (c) the Charged Property may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (d) any purchaser or lessee of the Charged Property may be a customer of or related person to the Lender;
- (e) a disposition of the Charged Property may be on such terms and conditions as to credit, deferred payment or otherwise as the Lender, in its sole discretion, may deem advantageous;
- (f) the Lender may establish an upset or reserve bid or price in respect of the Charged Property; and
- (g) the Lender may buy in, rescind or vary any contract for the disposition of Charged Property and may dispose of any Charged Property again without being obligated to account or answer for any gain or loss occasioned thereby.

**7.10. Dealings by Third Parties**

No person dealing with the Lender or its agent or a Receiver shall be required to:

- (a) determine whether the Security hereof has become enforceable;
- (b) determine whether the powers which the Lender or such agent or Receiver is purporting to exercise have become exercisable;
- (c) determine whether any of the Obligations remain outstanding;
- (d) determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease or other disposition shall be made;

- (e) determine the propriety or regularity of any sale or of any other dealing by the Lender or such agent or Receiver with the Charged Property; or
- (f) see to the application of any money paid to the Lender or such agent or Receiver.

#### **7.11. Statutory Waiver**

Any purchaser of the Charged Property from the Lender shall hold the Charged Property absolutely free from any claim or right of whatever kind including any equity of redemption of the Grantor, and the Grantor hereby specifically waives, to the fullest extent permitted by Applicable Laws, as against any such purchaser, all right of redemption, stay or appraisal which the Grantor now has or may have under any rule of law now existing or hereafter adopted. To the fullest extent permitted by Applicable Laws, the Grantor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

### **ARTICLE 8. GENERAL**

#### **8.1. Obligations May Revolve**

This Debenture is a continuing security, secures a current and running account and shall secure the Obligations notwithstanding that the Obligations may be repaid and satisfied by the Grantor in whole or in part from time to time and will not be redeemed by reason only that advances secured hereby are repaid; any such payment will be deemed not to be a cancellation pro tanto of this Debenture and any subsequent advance or re-advance forming part of the Obligations will be secured hereby to the same extent as if such advance or re-advance had been made on the issue of this Debenture.

#### **8.2. No Merger, etc.**

No judgment recovered by the Lender shall operate by way of merger of or in any way affect the Security hereof, which is in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Obligations.

#### **8.3. Waivers, etc.**

No amendment, consent or waiver by the Lender shall be effective unless made in writing and signed by an authorized officer of the Lender and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

#### **8.4. Further Assurances**

The Grantor shall from time to time, whether before or after the Security hereof shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Lender may reasonably require for protecting the Charged Property or perfecting the Security hereof and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Lender, and the Grantor shall from time to time after the Security hereof has become enforceable do all such acts and things and

execute and deliver all such deeds, transfers, assignments and instruments as the Lender may require for facilitating the sale of or other dealing with the Charged Property in connection with any realization thereof.

**8.5. Notice**

All notices, requests, demands, directions and communications to be made or given under or in connection with this Debenture shall be made or given and take effect in the manner provided for notices in the Credit Agreement.

**8.6. Additional Security**

This Debenture is in addition to and not in substitution for any other security at any time held by the Lender in connection with all or any part of the Obligations, and it is understood and agreed that the Lender may pursue its remedies thereunder or under this Debenture concurrently or successively at its option. Any judgment or recovery under this Debenture or under any other security held by the Lender for the Obligations shall not affect the right of the Lender to realize upon this Debenture or any other such security.

**8.7. Headings, etc.**

The division of this Debenture into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

**8.8. Successors and Assigns**

This Debenture shall be binding upon the Grantor and its successors, and shall enure to the benefit of the Lender and its respective successors and assigns. All rights of the Lender hereunder or in connection herewith shall be assignable as provided in the Credit Agreement. The Grantor shall not assign any of its rights or obligations hereunder without the prior written consent of the Lender, which consent may be withheld in the sole discretion of the Lender.

**8.9. Entire Agreement**

With the exception of the Credit Agreement, this Debenture embodies all the agreements between the Grantor and the Lender which may limit the obligations of the Grantor under this Debenture and the Lender shall not be bound by any representation or promise made by any Person relative thereto which is not embodied herein or in the Credit Agreement.

**8.10. Severability**

Any provision of this Debenture which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall, to the maximum extent permitted by law, be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**8.11. Governing Law**

This Debenture shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

**8.12. Consent to Jurisdiction**

The Grantor, hereby irrevocably submits to the non-exclusive jurisdiction of any Alberta court of competent jurisdiction sitting in Calgary, Alberta, Canada in any action or proceeding arising out of or relating to this Debenture and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such Alberta court. The Grantor hereby irrevocably waives, to the fullest extent each may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Grantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Laws.

Nothing in this Section shall affect the right of the Lender or any other Person to serve legal process in any other manner permitted by Applicable Laws or to bring any action or proceeding against the Grantor or its property in the courts of any other applicable jurisdiction.

To the extent that the Grantor has or hereafter acquires immunity from the jurisdiction of any court or from any legal process (whether service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its assets, the Grantor hereby irrevocably waives, to the fullest extent permitted by Applicable Laws, such immunity in respect of its obligations hereunder.

**8.13. Section References**

All references in this Debenture to designated "Articles", "Sections", "subsections", "clauses", "subclauses", "paragraphs", "subparagraphs" and other subdivisions are to the designated Articles, Sections, subsections, clauses, subclauses, paragraphs, subparagraphs and other subdivisions of this Debenture.

**8.14. Number and Gender**

Where the context so admits, all references in this Debenture to the singular shall be construed to include the plural, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

**8.15. Including**

The word "including", when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather such general statement, term or matter is to be construed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

**8.16. Statutory References**

Any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto and, unless otherwise expressly provided herein, includes a reference to all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding such statute or such regulation.

**8.17. Joint and Several Effect**

Each and every warranty, representation, grant, assignment, covenant and agreement of the Grantor in this Debenture will be deemed to be made by each and every entity comprising the Grantor all jointly as well as severally.

**8.18. Incorporation of Schedules**

The Schedules attached to this Debenture shall, for all purposes hereof, form an integral part of this Debenture.

**8.19. Paramountcy of Credit Agreement**

In the event of a conflict or inconsistency between the provisions of this Debenture and the provisions of the Credit Agreement, the provisions of the Credit Agreement shall prevail.

**8.20. Time**

Time shall be of the essence of this Debenture.

**8.21. Acknowledgement of Receipt/Waiver**

The Grantor acknowledges receipt of an executed copy of this Debenture and the Credit Agreement. The Grantor waives, to the extent permitted by Applicable Laws, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Governmental Entity in connection with this Debenture.

**8.22. Doctrine of Consolidation**

The doctrine of consolidation will apply to this Debenture.

**8.23. Waiver of Insurance Statutes**

The Grantor hereby irrevocably waives any and all statutory provisions which may require that proceeds of insurance be used, or permit an insurer to use proceeds of insurance, to restore or rebuild the Lands or any Buildings or other improvements thereof.

**8.24. Expropriation Act (Alberta)**

The Grantor acknowledges that it has been advised by its counsel as to the meaning of Sections 49 and 52 of The Expropriation Act (Alberta) and is fully aware that under the terms of

such Act, the Lender may be restricted to recovering the market value of this Debenture as at the date of expropriation. The Grantor hereby waives the provisions of Sections 49 and 52 of such Act and further waives any provisions which may be enacted and in force from time to time in replacement of or in addition to the provisions of such Section. If all or a material part of the Lands is expropriated or condemned by any Governmental Entity having jurisdiction, the entire amount of the Obligations shall, at the election of the Lender, be deemed to become due and payable in full on the day before the Lands, or any portion of them, were expropriated and interest shall accrue thereon at the rate of interest provided for herein until the Lender has been paid in full and the Grantor shall be estopped from denying otherwise.

**8.25. Charging Clause (Alberta and Saskatchewan)**

The Grantor is the registered owner of an estate in fee simple, subject to registered encumbrances, liens and interests, if any, in those Lands located in Alberta, if any, more particularly described in Part 1 of Schedule "A" and in those Lands located in Saskatchewan, if any, more particularly described in Part 1 of Schedule "A" and for the better securing to the Lender, as mortgagee, the payment and performance of the Obligations, all in the manner set out above, the Grantor hereby mortgages to the Lender all of the Grantor's estate and interest in the Lands.

**8.26. Saskatchewan Waiver**

The Grantor agrees that:

- (a) *The Land Contracts (Actions) Act* (Saskatchewan) shall have no application to an action, as therein defined, with respect to this Debenture; and
- (b) *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to:
  - (i) this Debenture;
  - (ii) any mortgage, assignment, charge, security interest for the payment of money made, given or crated by this Debenture;
  - (iii) any agreement or instrument renewing or extending or collateral to this Debenture or renewing or extending or collateral to any mortgage, charge or other security referred to or mentioned in subparagraph (ii) of this Section; or
  - (iv) the rights, powers or remedies of the Lender under this Debenture or any mortgage, charge, other security, agreement or instrument referred to or mentioned in subparagraph (ii) or (iii) of this Section.

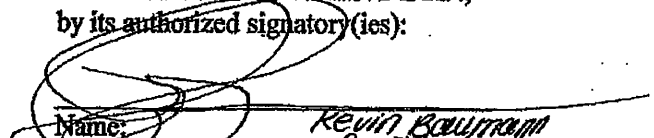
**8.27. Interest Act**

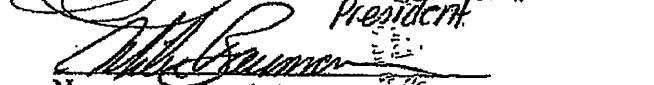
For purposes of the *Interest Act* (Canada) any interest rate or fee determined hereunder or secured hereby on the basis of a 360 or 365 day year, expressed as an annual rate shall be equivalent to the said rate or fee multiplied by the actual number of days in the calendar year in which it is to be determined and divided by 360 or 365, as applicable.

TO WITNESS THIS AGREEMENT, the Grantor has caused this Debenture to be duly executed.

TRANSFEROR(S) SIGNATURE(S)

ALKEN BASIN DRILLING LTD.,  
by its authorized signatory(ies):

  
Name: *Kevin Baumann*  
*President*

  
Name: *Michael Baumann*  
*UP Operations*



**SCHEDULE A**  
**LEASES AND LANDS**

**Part I** (Fee Simple Lands)

Nil

**Part II** (Leasehold Property)

1. 2000, 717-7<sup>th</sup> Avenue SW, Calgary, Alberta
2. 40329 - RR22  
LSD NW 23-40-2W5  
PO Box 47  
Bentley, Alberta, T0C 0J0

**Part III** (Lands in which Grantor holds Statutory Rights of Way, Easements, Covenants, Licences, and other Rights, excluding Fee Simple Interests and Leasehold Interests)

Nil

**SCHEDULE B****CHIEF EXECUTIVE OFFICE AND LOCATION OF COLLATERAL****1. Chief Executive Office/Principal Place of Business:**

2000, 717-7<sup>th</sup> Avenue SW, Calgary, Alberta

**2. Location(s) of Records of Accounts:**

40329 - RR22  
LSD NW 23-40-2W5  
PO Box 47  
Bentley, Alberta, T0C 0J0

**3. Location(s) of Tangible Assets:**

40329 - RR22  
LSD NW 23-40-2W5  
PO Box 47  
Bentley, Alberta, T0C 0J0

SCHEDULE C  
INTELLECTUAL PROPERTY

Nil

**SCHEDULE D**

**INVESTMENT PROPERTY**

**Part I (Investment Property)**

Nil

**Part II**

(1) Location of any certificated securities:

Heighington Law Firm  
730, 1015 - 4th Street SW  
Calgary, AB T2R 1J4

(2) Location of Issuer's jurisdiction for any uncertificated securities:

N/A

(3) Location of securities intermediary's jurisdiction for any securities accounts or securities entitlements:

N/A

(4) Location of futures intermediary's jurisdiction for any futures accounts or futures contracts:

N/A

SCHEDULE E

SERIAL NUMBERED GOODS

	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
1.	2006 PETERBILT 379 TANDEM AXLE	VIN: INPAL40X57D661602
2.	1994 MACK ED688S TANEM AXLE TRUCK CHASSIS	VIN: IM2P270Y7RW016902 WR10
3.	2004 TANDEM AXLE WESTERN STAR TRUCK CHASSIS	VIN: 5KKHALCK65PU01483
4.	2002 STERLING TANDEM AXLE TRUCK	VIN: 2FZHAZC692AK12757
5.	1993 MACK CL653 ELITE TANDEM AXLE TRUCK	VIN: 1M2AD27Y1PW001063
6.	RIG 708 DRILL CARRIER - SCHRAMM T130XD DRILLING RIG MOUNTED ON CARRIER	VIN: 1CYDGV6897T047574
7.	8'W X 48'L DRILL TRAILER	S/N: CV2716763
8.	2004 INTERNATIONAL MODEL 560018X6, SINGLE STEER X TRI-DRIVE TRUCK	VIN: IHTXSAPT44J094479 R308
9.	2000 INTERNATIONAL MODEL 50006X4, SINGLE STEER X TAN DRIVE TRUCK	VIN: IHTTGADR8YJ065940 R401
10.	2005 INTERNATIONAL MODEL 560016X8, TANDEM STEER X TRI-DRIVE	VIN: IHTXSAPT85J153082 R 402
11.	INTERNATIONAL MODEL 560016X8, TANDEM STEER X TRI-DRIVE TRUCK	S/N: IHTXSAPT96J22304 R403

	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
48.	1994 ROADWAY WELLSITE 12'W X 48'L TOOL PUSHER/CREW QUARTERS	S/N: 402896
49.	1997 QA INC. WELLSITE 12'W X 56'L TOOL PUSHER/CREW QUARTERS	S/N: ESW12410897131
50.	2006 ROUGHNECK TRAVEL TRAILER	VIN: 2TINT30046R060638
51.	1997 TRAVEL AER KOACH ROUGHNECK TANDEM AXLE FIFTH WHEEL TRAVEL TRAILER	VIN: 2TINW2801WR980166
52.	1999 TRAVEL AIR ROUGHNECK TANDEM AXLE TRAVEL TRAILER	VIN: 2TINT300XXR990996
53.	2007 DODGE MODEL R VISION TYPE D-291, TANDEM AXLE TRAVEL TRAILER	S/N: RWYS48N276175164
54.	2006 RAJA TRI-AXLE STEP DECK TRAILER	VIN: 2R9CS43346DI44131
55.	2007 VICTORY RIG FLAT DECK TRAILER	S/N: 2E9DPZ2J57R073033
56.	1989 ITB MODEL ITB896196, 35' DUAL WHEEL TANDEM AXLE TRAILER	S/N: 2C9DE44D3K2044013
57.	MANUFACTURER UNKNOWN SINGLE WHEEL TANDEM AXLE TRAILER	S/N: SK401001547
58.	1999 TRAVEL AIR TRAILER	S/N: 2TINOVA12XR990729
59.	1982 HOMEMADE DOGHOUSE TRAILER	S/N: R19866 DT047
60.	2007 FALCON MODEL TD 215, FLAT DECK TRAILER	S/N: 2F9T332HH476056620
61.	2007 FALCON MODEL TD 215, FLAT DECK TRAILER	S/N: 2F9T332HH676056621

	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
76.	1986 WESTERN STAR TANDEM AXLE TRUCK BOILER GENERATOR	VIN: 2WKPDCVIGK915699
77.	1990 MACK MODEL 6964F, TANDEM TRUCK BOILER GENERATOR	VIN: 2WLTCCCH9MK928575
78.	1994 MACK MODEL R600; DUAL AXLE TANDEM TRUCK BOILER GENERATOR	VIN: 1M2AA13Y7RW040445
79.	1994 MACK MODEL R600, DUAL AXLE TANDEM DRIVE TRUCK	VIN: 1M2P267C3RM020532
80.	1998 FORD MODEL 9000, TANDEM AXLE TRUCK	VIN: 1FDZS86F7WVA24640
81.	1998 WESTERN STAR MODEL 4864FX, TANDEM AXLE TRUCK	VIN: 2WKNDDXH7WK951646
82.	1993 WESTERN STAR MODEL 4964F, TANDEM AXLE TRUCK	VIN: 2WLPDCXH8PK2931500
83.	1980 PACIFIC MODEL P510S, HIGH CLEARANCE BED TRUCK	VIN: 1T7960139
84.	1999 WESTERN STAR MODEL 4964SX, TANDEM AXEL WINCH TRUCK	VIN: 2WKPDDCJ5XK956258
85.	2006 INTERNATIONAL MODEL 75006X4 WATER TRUCK	VIN: 1HTWPAZT76J347162
86.	2006 INTERNATIONAL MODEL 75006X4 WATER TRUCK	VIN: 1HTWNAZR16J229635
87.	2005 INTERNATIONAL MODEL 9900I6X4, TANDEM AXLE TRUCK	VIN: 2HSCHARP55C048696
88.	INTERNATIONAL MODEL 9900I6X4, TANDEM AXLE TRUCK	VIN: 2HSCHAPR55C213243
89.	2005 INTERNATIONAL MODEL 9900I6X4, TANDEM AXLE TRUCK	VIN: 2HSCHAPR85C080638
90.	2005 INTERNATIONAL MODEL 9900I6X4, TANDEM AXLE TRUCK	VIN: 2HSCHAPR75C213244

	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
91.	2006 INTERNATIONAL MODEL 9900I6X4, TANDEM AXLE TRUCK	VIN: 2HSCHAPR16C328671
92.	2005 INTERNATIONAL MODEL 4400, SINGLE AXLE PUMP SERVICE TRUCK	VIN: 1HSMKKAAN55H115849
93.	2006 GMC MODEL C5500, SINGLE AXLE PUMP SERVICE TRUCK	VIN: 1GDE5C3226F417966
94.	1998 MACK MODEL RD688S, TANDEM AXLE RIG TENDER TRUCK	VIN: 1M2P267C4WM037450
95.	1998 INTERNATIONAL PAYSTAR MODEL 5000, TANDEM AXLE RIG TENDER TRUCK	VIN: 1HTTGAET1WJ000077
96.	1998 MACK MODEL RD688S, TANDEM AXLE CRANE TRUCK	VIN: 1M2P270C4WM037366
97.	1991 KENWORTH MODEL C500-B, TANDEM AXLE WINCH TRUCK	VIN: 2XKDCB0X8MM927223
98.	1998 MACK MODEL RD688S, TANDEM AXLE RIG TENDER TRUCK	VIN: 1M2P267C6WM034419
99.	2008 PETERBILT MODEL PB340, TANDEM AXLE CRANE TRUCK	VIN: 2NPRLN9X58M746883
100.	1989 INTERNATIONAL MODEL 4700, SINGLE AXLE FLATBED TRUCK	VIN: 1HTSECFM0LH238824
101.	1982 MACK MODEL RD688S, TANDEM AXLE RIG TENDER TRUCK	VIN: 2M2P141Y7CC001632
102.	1988 MACK MODEL RD688S, TANDEM AXLE RIG TENDER TRUCK	VIN: 2M2P141C7JC006816
103.	1979 INTERNATIONAL MODEL F-5070, TANDEM AXLE CAB AND CHASSIS TRUCK	VIN: D3117KG10717
104.	2006 KENWORTH MODEL C500-B, TANDEM AXLE WINCH TRUCK	VIN: 1XKDCBOX87R992716
105.	2004 TRAILTECH FLAT DECK TRAILER	VIN: 2CU2BE8L64201569



	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
106.	2005 MANUFACTURER UNKNOWN FLAT DECK PINTEL HITCH TRAILER	VIN: 2H9CH140050085187
107.	1997 BOW RIDGE FLAT DECK PINTEL HITCH TRAILER	VIN: 2B9411829V1048268
108.	TRAILMOBILE TANDEM AXLE VAN TRAILER	S/N: 5NHUBL6288T415466
109.	1993 PEERLESS MODEL LB50-SDLRSS-W-12A, TRI AXLE SCISSOR GOOSENECK OILFIELD TRAILER	VIN: 2PLG04030PB64860
110.	2008 FOREST RIVER TANDEM AXLE ENCLOSED TAG TRAILER	VIN: 5NEUBL6238T415357
111.	2007 RAFAB TRI AXLE FIELD SUPPORT TRAILER	VIN: 2R9CS93457P672038
112.	1996 SATURN 8 X 52 TRI AXLE GOOSENECK TRAILER	VIN: 2S912R541TW010108
113.	1972 TRAILMOBILE TANDEM AXLE VAN TRAILER	S/N: 1231.6794.003
114.	1997 ALCO TRI AXLE OILFIELD FLOAT TRAILER	VIN: 2N9F35E30V1042245
115.	MANUFACTURER UNKNOWN 12' X 8' TANDEM AXLE TAG TRAILER	S/N: 1002
116.	1984 FRUEHAUF MODEL FBXX128102, SINGLE AXLE BULL NOSE VAN TRAILER	VIN: 2H8V02815FS013104
117.	2011 ABU TRAILERS INC. TRI AXLE TAG TRAILER	VIN: 4UGFP3037CD20930
118.	1997 BOW RIDGE FLAT DECK PINTEL HITCH 24'L TRAILER	VIN: 2B9411827V1048267
119.	1984 SUPERIOR FLAT DECK TRAILER	VIN: 055152SD10M1B7414
120.	2001 TRAILTECH FLAT DECK 30' PINTEL HITCH TRAILER	VIN: 2CU138RAX12009035

	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
121.	1992 STEWART 45' TRAILER	VIN: 2S9F45031NV013017
122.	1992 STEWART 45'L FLAT DECK 10,000-LB. TRAILER	VIN: 2S9F45037NV013006
123.	1986 HOBBS 48'L TA-DW FLAT DECK TRAILER	VIN: 1H5P048Z6EN013304
124.	1990 UTILITY 46'L TA-DW FLAT DECK TRAILER	VIN: 1UYV54388LT300410
125.	1987 CHIEFTAIN 40'L TRAILER	VIN: 2C9PF4826HC034050
126.	1998 WILSON 48'L HIGHBOY TRAILER	VIN: 4WWBDB6B6WN600985
127.	1991 FRUEHAUF 45'L FLAT DECK TRI-AXLE TRAILER	VIN: 2FEP04530MS007814
128.	1998 GERRYS TRI-AXLE OILFIELD FLOAT TRAILER	VIN: 2A9PF4534WN125360
129.	2010 HEFTY TANDEM AXLE GOOSENECK TRAILER	VIN: 5NKGU2622AP005191
130.	2001 TRAILTECH TANDEM AXLE TAG TRAILER	VIN: 2CUI38RA112009036
131.	2005 STERLING TRI AXLE CEMENT MIXER	VIN: 2FZHAZDL35AU08743
132.	2006 STERLING TRI AXLE CEMENT MIXER	VIN: 2FZPAZDE26AU51486
133.	2005 CONTINENTAL 16' TRI AXLE CARGO TRAILER	VIN: 5NUHCC6255N045056
134.	1994 INTERNATIONAL MODEL 2574, TANDEM AXLE CEMENT MIXER	VIN: 1HTGAE13SH613269
135.	SHOP BUILT TANDEM AXLE TRAILER	S/N: 1998025

	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
136.	2009 MANUFACTURER UNKNOWN TANDEM AXLE GROUT/CEMENT TRAILER	VIN: 2DAEC42664T003803
137.	2011 FORD MODEL F-350, 4X4 CREW CAB, KING RANCH LIGHT PICKUP TRUCK	VIN: 1FT8W3BT2BEC59587
138.	2009 FORD MODEL F-350, 4X4 CREW CAB, LARIAT SD PICKUP TRUCK	VIN: FT8W38T9BEA92595
139.	2009 FORD MODEL F-350, 4X4 CREW CAB, SD PICKUP TRUCK	VIN: 1FTWW31R09EA05299
140.	2009 FORD MODEL F-350, CREW CAB, SD PICKUP TRUCK	VIN: 1FTWW31R89EA04160
141.	2008 FORD MODEL F-350, 4X 4 CREW CAB, SD PICKUP TRUCK	VIN: 1FTWW31R38EC91390
142.	2012 FORD MODEL F-150, 4X4 CREW CAB, RAPTOR PICKUP TRUCK	VIN: 1FTFW1R66CFB15077
143.	2008 FORD MODEL F-350, 4X 4 CREW CAB, SD PICKUP TRUCK	VIN: 1FTWW31R59EA02740
144.	2005 CHEVY MODEL 2500HD, 4X 4 CLUB CAB, SD PICKUP TRUCK	VIN: 1GCHK2955E170670
145.	2009 FORD MODEL F-350, 4X4 CREW CAB, SD PICKUP TRUCK	VIN: 1FTWW31R99EA05298
146.	2012 FORD MODEL F-150, CREW CAB, PLATINUM PICKUP TRUCK	VIN: 1FTFW1ET5CFBS7248
147.	2012 FORD MODEL F-150 XLT, 4X4 CREW CAB PICKUP TRUCK	VIN: 1FTFW1ET8CKD86547
148.	2012 FORD MODEL F-150 XLT, 4X4 CREW CAB PICKUP TRUCK	VIN: 1FTFW1ETXCKD86551
149.	2006 CHEVY MODEL 2500HD, 4X4 CLUB CAB PICKUP TRUCK	VIN: 1GCHK29D07E112809
150.	2008 FORD MODEL F-350, 4X4 CREW CAB, SD PICKUP TRUCK	VIN: 1FTWW31R78EC69988

	MODEL/MANUFACTURER/EQUIPMENT	VEHICLE IDENTIFICATION NO./ SERIAL NO.
151.	2005 CHEVY MODEL 2500HD, 4X4 CLUB CAB PICKUP TRUCK	VIN: 1GCHK29205E206765
152.	2006 GMC MODEL 1500, 4X4 CLUB CAB, SIERRA PICKUP TRUCK	VIN: 1GTEK19C67Z165416
153.	2010 GMC MODEL 2500HD, 4X4 CREW CAB PICKUP TRUCK	VIN: 1GT423C88BF153319
154.	2012 FORD MODEL F-150 XLT, 4X4 CREW CAB PICKUP TRUCK	VIN: 1FTFW1ET2CKD71879
155.	2012 FORD MODEL F-150 XLT, 4X4 CREW CAB PICKUP TRUCK	VIN: 1FTFW1ET8CKD71885
156.	2007 GMC MODEL 1500, 4X4 CLUB CAB, SIERRA PICKUP TRUCK	VIN: 1GTEK19V67Z165416
157.	2005 GMC MODEL 2500HD, 4X4 CLUB CAB PICKUP TRUCK	VIN: 1GTHK29215E131039
158.	2011 FORD MODEL EXPEDITION, 4 X 4 SPORT UTILITY VEHICLE	VIN: 1FMJV1650BEF19129
159.	1996 CHEVY MODEL 2500HD, 4X4 STANDARD CAB PICKUP TRUCK	VIN: 1GCGC24R8TZ120414
160.	2007 YAMAHA RHINO 660 4 X 4 UTILITY VEHICLE	VIN: 5Y4AM08W37A300824

This is Exhibit "C" referred to in the Affidavit of  
Craig Boyer, sworn before me at the City of  
Toronto in the Province of Ontario  
this 21 day of ~~February~~, 2016.  
March

Al Mason  
A COMMISSIONER FOR TAKING OATHS IN AND FOR  
THE PROVINCE OF ONTARIO

150

Search ID#: Z07453058

**Transmitting Party**

LAWSON LUNDELL LLP

Bow Valley Square 2  
SUITE 3700, 205 5 AVE SW  
CALGARY, AB T2P 2V7

Party Code: 50088293  
Phone #: 403 269 6900  
Reference #: 29232-126991

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

**Business Debtor Search For:**

ALKEN BASIN DRILLING LTD.

Exact Result(s) Only Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.

Be sure to read the reports carefully.



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# Government of Alberta

## Personal Property Registry Search Results Report

Search ID#: Z07453058

### Business Debtor Search For:

ALKEN BASIN DRILLING LTD.

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

Registration Number: 13030137309

Registration Type: SECURITY AGREEMENT

Registration Date: 2013-Mar-01

Registration Status: Current

Expiry Date: 2018-Mar-01 23:59:59

Exact Match on: Debtor

No: 1

### Debtor(s)

#### Block

1 ALKEN BASIN DRILLING LTD.  
PO BOX 47, BENTLEY  
BENTLEY, AB T0C 0J0

#### Status

Current

### Secured Party / Parties

#### Block

1 FORD CREDIT CANADA LIMITED  
PO Box 2400  
Edmonton, AB T5J 5C7

#### Status

Current

### Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1ETXCKD86551	2012	FORD F150	MV - Motor Vehicle	Current

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Search ID#: Z07453058

**Business Debtor Search For:**

ALKEN BASIN DRILLING LTD.

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

Registration Number: 13030137322

Registration Type: SECURITY AGREEMENT

Registration Date: 2013-Mar-01

Registration Status: Current

Expiry Date: 2018-Mar-01 23:59:59

Exact Match on: Debtor

No: 1

**Debtor(s)**

<u>Block</u>		<u>Status</u>
1	ALKEN BASIN DRILLING LTD. PO BOX 47, BENTLEY BENTLEY, AB T0C 0J0	Current

**Secured Party / Parties**

<u>Block</u>		<u>Status</u>
1	FORD CREDIT CANADA LIMITED PO Box 2400 Edmonton, AB T5J 5C7	Current

**Collateral: Serial Number Goods**

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1ET8CKD86547	2012	FORD F150	MV - Motor Vehicle	Current



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**Government  
of Alberta**

**Personal Property Registry  
Search Results Report**

Search ID#: Z07453058

**Business Debtor Search For:**

ALKEN BASIN DRILLING LTD.

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

Registration Number: 13030137615

Registration Type: SECURITY AGREEMENT

Registration Date: 2013-Mar-01

Registration Status: Current

Expiry Date: 2018-Mar-01 23:59:59

Exact Match on: Debtor

No: 1

**Debtor(s)**

**Block**

**Status**

1 ALKEN BASIN DRILLING LTD  
Po Box 47  
Bentley, AB T0C 0J0

Current

**Secured Party / Parties**

**Block**

**Status**

1 FORD CREDIT CANADA LIMITED  
PO Box 2400  
Edmonton, AB T5J 5C7

Current

**Collateral: Serial Number Goods**

**Block**

**Serial Number**

**Year**

**Make and Model**

**Category**

**Status**

1 1FTFW1ET2CKD71879 2012 Ford F150

MV - Motor Vehicle

Current

154

Search ID#: Z07453058

**Business Debtor Search For:**

ALKEN BASIN DRILLING LTD.

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

Registration Number: 13031901158

Registration Type: SECURITY AGREEMENT

Registration Date: 2013-Mar-19

Registration Status: Current

Expiry Date: 2018-Mar-19 23:59:59

Exact Match on: Debtor

No: 1

**Amendments to Registration**

13032219584

Renewal

2013-Mar-22

**Debtor(s)**

**Block**

1 ALKEN BASIN DRILLING LTD.  
p.o. box 47 nw 23-40-2 w-5  
bentley, AB T0C 0J0

**Status**

Current

**Secured Party / Parties**

**Block**

1 GE CANADA EQUIPMENT FINANCING G.P.  
5500 NORTH SERVICE ROAD, 8TH FLOOR  
BURLINGTON, ON L7L 6W6

**Status**

Current

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	2P9LB22D4Y1061151	2000	utility custom	TR - Trailer	Current
2.	1XKCDB0X87R992716	2007	kenworth sleeper	MV - Motor Vehicle	Current

**Collateral: General**

**Block**

1 2006 Frost Fighter OHV350LP NG 06030533PN  
2007 Frost Fighter OHV35011 07020793

**Status**

Current

155

Search ID#: Z07453058

2

The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the Debtor to third parties, and all proceeds relating thereto. Proceeds: all of the Debtor's present and after-acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.

Current

Search ID#: Z07453058

**Business Debtor Search For:**

ALKEN BASIN DRILLING LTD.

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

Registration Number: 15121014865

Registration Type: REPORT OF SEIZURE

Registration Date: 2015-Dec-10

Registration Status: Current

Registration Term: Infinity

Service Area 3

Property has been seized under Security Agreement Registration Number 13031901158.

Amount being seized for is \$78,452.71.

Property was seized on 2015-Dec-09

<u>Registration Type</u>	<u>Date</u>	<u>Registration #</u>	<u>Value</u>
Report of Seizure	2015-Dec-09	15121014865	\$78,452.71

Exact Match on: Debtor

No: 1

**Solicitor / Agent**

GE CANADA EQUIPMENT FINANCING G.P.  
2300 MEADOWVALE BLVD, MAILDROP S25  
MISSISSAUGA, ON L5N 5P9

**Civil Enforcement Agent**

STEWART BELLAND & ASSOC. INC.  
12540 - 126 Avenue  
EDMONTON, AB T5L 3C7

Phone #: 780 465 9725

Fax #: 780 469 6815

**Debtor(s)**

**Block**

1

**Status**

Current

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# Government of Alberta

## Personal Property Registry Search Results Report

Search ID#: Z07453058

ALKEN BASIN DRILLING LTD.  
p.o. box 47 nw 23-40-2 w-5  
bentley, AB T0C 0J0

### Creditor(s)

<u>Block</u>		<u>Status</u>
1	GE CANADA EQUIPMENT FINANCING G.P. 5500 NORTH SERVICE ROAD, 8TH FLOOR BURLINGTON, ON L7L 6W6	Current

### Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	2P9LB22D4Y1061151	2000	CUSTOMER BUILT UTILITY TR	TR - Trailer	Current

### Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	SEIZED AND REMOVED TO TRIO TOWING, RED DEER, AB.	Current

Search ID#: Z07453058

**Business Debtor Search For:**

ALKEN BASIN DRILLING LTD.

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

---

Registration Number: 13121019755

Registration Type: SECURITY AGREEMENT

Registration Date: 2013-Dec-10

Registration Status: Current

Expiry Date: 2016-Dec-10 23:59:59

---

Exact Match on: Debtor

No: 1

---

**Amendments to Registration**

14040828414

Amendment

2014-Apr-08

---

**Debtor(s)**

**Block**

1 ALKEN BASIN DRILLING LTD.  
C/O 730, 1015 - 4TH STREET SE  
CALGARY, AB T2R 1J4

**Status**

Current

**Secured Party / Parties**

**Block**

1 HOOVER, NANCY, L  
142 MT. DOUGLAS CLOSE SE  
CALGARY, AB T2Z 3S2

**Status**

Current

**Block**

2 BAKUSKA, HILDA, A  
361 WILDWOOD DRIVE SW  
CALGARY, AB T3C 3E4

**Status**

Current

**Block**

3 BAKUSKA, BRADLEY, C.L.  
361 WILDWOOD DRIVE SW  
CALGARY, AB T3C 3E4

**Status**

Current

**Collateral: General**

159

**Government  
of Alberta**

**Personal Property Registry  
Search Results Report**

Page 10 of 25

Search ID#: Z07453058

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	GEENRAL SECURITY AGREEMENT OVER ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY, INCLUDING ANY AND ALL PROCEEDS THEREFROM WITHOUT LIMITATION, ALL GOODS, FIXTURES, INTANGIBLES, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS AND SECURITIES.	Current

**Particulars**

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	SECURITY INTERESTS PERFECTED BY THIS REGISTRATION HAVE BEEN POSTPONED IN FAVOUR OF THE SECURITY INTERESTS PERFECTED BY REGISTRATION NOS. 14032631635 AND 14032631713.	Current By 14040828414

Search ID#: Z07453058

**Business Debtor Search For:**

ALKEN BASIN DRILLING LTD.

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

Registration Number: 14031410838

Registration Type: SECURITY AGREEMENT

Registration Date: 2014-Mar-14

Registration Status: Current

Expiry Date: 2020-Mar-14 23:59:59

Exact Match on: Debtor

No: 1

**Amendments to Registration**

14032200252

Amendment

2014-Mar-22

**Debtor(s)**

**Block**

**Status**

1 ALKEN BASIN DRILLING LTD  
BOX 47, NW 23-40-2 W5  
BENTLEY, AB T0C 0J0

Current

**Secured Party / Parties**

**Block**

**Status**

1 GE CANADA EQUIPMENT FINANCING G.P.  
5500 NORTH SERVICE ROAD, 8TH FLOOR  
BURLINGTON, ON L7L 6W6

Current

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	54PSE4516BL506723	2011	DRAGON GRIZZLY 500 BBL	MV - Motor Vehicle	Deleted By 14032200252
2	54PSE4516BL056723	2011	DRAGON GRIZZLY 500 BBL	MV - Motor Vehicle	Current By 14032200252

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
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**Government  
of Alberta**

**Personal Property Registry  
Search Results Report**

Search ID#: Z07453058

1	<p>The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the Debtor to third parties, and all proceeds relating thereto. Proceeds: all of the Debtor's present and after-acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.</p>	Current
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**Particulars**

<b><u>Block</u></b>	<b><u>Additional Information</u></b>	<b><u>Status</u></b>
1	(1) MV 2011, 54PSE4516BL506723, DRAGON, GRIZZLY 500 BBL S/A FRAC TANK	Current

Search ID#: Z07453058

**Business Debtor Search For:**

ALKEN BASIN DRILLING LTD.

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

Registration Number: 14032631635

Registration Type: SECURITY AGREEMENT

Registration Date: 2014-Mar-26

Registration Status: Current

Expiry Date: 2016-Mar-26 23:59:59

Exact Match on: Debtor

No: 2

**Amendments to Registration**

14052234395

Amendment

2014-May-22

15021015372

Amendment

2015-Feb-10

15092328103

Amendment

2015-Sep-23

**Debtor(s)**

**Block**

1 ALKEN BASIN DRILLING LTD.  
Suite 730, 1015 - 4th Street SW  
CALGARY, AB T2R 1J4

**Status**

Deleted by  
14052234395

**Block**

2 ALKEN BASIN DRILLING LTD.  
Unit 8, 7459 Edgar Industrial Blend  
Red Deer, AB T4P 3Z5

**Status**

Current by  
14052234395

**Secured Party / Parties**

**Block**

1 CALLIDUS CAPITAL CORPORATION  
ROYAL TRUST TOWER, STE 4320, 77 KING ST, W.  
TORONTO, ON M5K 1K2

**Status**

Current

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	1NPAL40X57D661602	2006	Peterbilt 379 Tandem Axle	MV - Motor Vehicle	Current

**Government  
of Alberta**

**Personal Property Registry  
Search Results Report**

Search ID#: Z07453058

2	IM2P270Y7RW016902	1994	Mack ED688S Tadem	MV - Motor Vehicle	Current
3	5KKHALCK65PU01483	2004	Tandem Axle Western Star	MV - Motor Vehicle	Deleted By 15021015372
4	2FZHAZC692AK12757	2002	Sterling Tandem	MV - Motor Vehicle	Current
5	1M2AD27Y1PW001063	1993	Mack CL653 Elite Tandem	MV - Motor Vehicle	Current
6	1CYDGV6897T047574	1	Rig 708 Drill Carrier	MV - Motor Vehicle	Current
7	CV2716763	1	8'W x 48'L Drill Trailer	TR - Trailer	Current
8	1HTXSAPT44J094479	2004	Inter. Model 5600i8X6	MV - Motor Vehicle	Current
9	1HTTGADR8YJ065940	2000	Inter. Model 50006X4	MV - Motor Vehicle	Current
10	1HTXSAPT85J153082	2005	Inter. Model 5600i6X8	MV - Motor Vehicle	Current
11	1HTXSAPT96J22304	1	Inter. Model 5600i6X8	MV - Motor Vehicle	Current
12	1HTXSAST94J092640	1	Inter. Model 5600i6X8	MV - Motor Vehicle	Current
13	1NPALB0X3XD510505	1	Peterbilt Model 357	MV - Motor Vehicle	Current
14	4V1WDBRH7LN624065	1	Volvo Single Steer	MV - Motor Vehicle	Current
15	1HTXSAST23J073829	1	Inter. Model 5600i6X8	MV - Motor Vehicle	Current
16	1HTXTAPT96J223302	1	Inter. Model 5600i8X6	MV - Motor Vehicle	Current
17	1HTXSAPT55J035183	1	Inter. Model 5600i8X6	MV - Motor Vehicle	Current
18	1CYDGV5894T046597	1	Crane Model RD20-R3	MV - Motor Vehicle	Current
19	1M2AG10C15M016591	1	Mack Model CV713	MV - Motor Vehicle	Current
20	1HTTGAET5WJ033163	1	Inter Model 500006X4	MV - Motor Vehicle	Current
21	2FZHAZCG92AK12757	1	Freightliner Model Sterli	MV - Motor Vehicle	Current
22	1HTXTAPT46J254389	1	Inter. Model 5900i8X6	MV - Motor Vehicle	Current
23	2R9CS43389D144640	2009	Raja 52' Tri-Axle	TR - Trailer	Current
24	2R9CS42256D144132	2006	Raja 50'	TR - Trailer	Current
25	HMPL50NTS284842	1985	Homemade	TR - Trailer	Current
26	2DEDDFZ3421014012	2002	Doepker 42'	TR - Trailer	Current
27	2M513161X61108574	2006	Manac 53'	TR - Trailer	Current
28	10198TC1	2006	Step Deck	TR - Traller	Current
29	2CU3BAXL512009063	2001	Trailtech Flat	TR - Trailer	Current
30	2R9CS43326D144130	2006	Raja Step Deck Tri-Axle	TR - Trailer	Current
31	2M513161461108571	2006	Manac 53'	TR - Trailer	Current
32	2M512146851100277	2005	Manac 53'	TR - Trailer	Current
33	2M5131611T1040516	1996	Manac 53'	TR - Trailer	Current
34	AG11Y03M006075	2003	Mack Model CV713	MV - Motor Vehicle	Current
35	HS11439	1985	Kenworth Model T801	MV - Motor Vehicle	Current

# Government of Alberta

## Personal Property Registry Search Results Report

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Search ID#: Z07453058

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36	2FZHAZDE98AZ69390	2008	Sterling Model LT9500	MV - Motor Vehicle	Current
37	2FZHAZDEX8AZ83105	2008	Sterling Model LT9500	MV - Motor Vehicle	Current
38	1XKDP90X3VR947443	1997	Kenworth Model T800	MV - Motor Vehicle	Current
39	2FZHAZDE88AZ83104	2008	Sterling Model LT9500	MV - Motor Vehicle	Current
40	2FZHAZDE68AZ83103	2008	Sterling Model LT9500	MV - Motor Vehicle	Current
41	2FZHAZDE48AZ83102	2008	Sterling Model LT9500	MV - Motor Vehicle	Current
42	VAC084722792	2006	Mastco Tri Axle	TR - Trailer	Current
43	1GRDM06264M700463	2004	Great Dane Stem	TR - Trailer	Current
44	1DTE16236RP032935	1994	Dorsey Tri	TR - Trailer	Current
45	2F9T340H5Y6056622	2000	Falcon Model TD210	TR - Trailer	Current
46	124010005ARROW5	1	Locking Storage	TR - Trailer	Current
47	SW12561100024	2001	12'W x 56'L Tool Pusher	TR - Trailer	Current
48	402896	1994	12'W x 48'L Tool Pusher	TR - Trailer	Current
49	LSW12410897131	1997	12'W x 56'L Tool Pusher	TR - Trailer	Current
50	2TTNT30046R060638	2006	Roughneck Travel Trailer	TR - Trailer	Current
51	2TTNW2801WR980166	1997	Travel Air Koach Roughnec	TR - Trailer	Current
52	2TTNT300XXR990996	1999	Travel Air Roughneck Tand	TR - Trailer	Current
53	RWYS48N276175164	2007	Dodge Model R Vision D291	TR - Trailer	Current
54	2R9CS43346D144131	2006	Raja Tri-Axle	TR - Trailer	Current
55	2E9DPZ2J57R073033	2007	Victory Rig Flat	TR - Trailer	Current
56	2C9DE44D3K2044013	1989	ITB Model ITB896196	TR - Trailer	Current
57	SK401001547	1	Manufacturer Unknown	TR - Trailer	Current
58	2TTNOVAT2XR990729	1999	Travel Air	TR - Trailer	Current
59	R19866	1982	Homemade Doghouse	TR - Trailer	Current
60	2F9T332H476056620	2007	Falcon Model TD 215	TR - Trailer	Current
61	2F9T332H676056621	2007	Falcon Model TD 215	TR - Trailer	Current
62	2F9T332H876056622	2007	Falcon Model TD 215	TR - Trailer	Current
63	2F9T332H176056623	2007	Falcon Model TD 215	TR - Trailer	Current
64	2E9DPZ2J07R073030	2007	Victory Rig Flat	TR - Trailer	Current
65	2E9DPZ2J17R073031	2007	Victory Rig Flat	TR - Trailer	Current
66	2E9DPZ2J37R073032	2007	Victory Rig Flat	TR - Trailer	Current
67	2E9DPZ2J77R073034	1	Victory Rig Flat	TR - Trailer	Current
68	1M1AA18Y8WW091462	1998	Mack Model CH613	MV - Motor Vehicle	Current
69	2CU2BE8L642015069	1	Trailtech Flat	TR - Trailer	Current

# Government of Alberta

## Personal Property Registry Search Results Report

Search ID#: Z07453058

70	W7915/3	1975	Linden Tandem	TR - Trailer	Current
71	5CNHF20201C00129	2001	Centr 20 x 8	TR - Trailer	Current
72	2WKPDCCH5SK938682	1995	Mack Model 4964F	MV - Motor Vehicle	Current
73	13N145207M1552772	1	Tandem Axle	TR - Trailer	Current
74	4V1WDBRH7LN624065	1990	GMC Tandem	MV - Motor Vehicle	Current
75	2WKPDCVIGIGK915699	1986	Western Star Tandem	MV - Motor Vehicle	Current
76	2WLTCCCH9MK928575	1990	Mack Model 6964F	MV - Motor Vehicle	Current
77	1M2AA13Y7RW040445	1994	Mack Model R600	MV - Motor Vehicle	Current
78	1M2P267C3RM020532	1994	Mack Model R600	MV - Motor Vehicle	Current
79	1FDZS86F7WVA24640	1998	Ford Model 9000	MV - Motor Vehicle	Current
80	2WKNDDXH7WK951646	1998	Western Star Model 4864Fx	MV - Motor Vehicle	Current
81	2WLPDCXH8PK2931500	1993	Western Star Model 4964F	MV - Motor Vehicle	Current
82	T7960139	1980	Pacific Model P510S	MV - Motor Vehicle	Current
83	2WKPDDCJ5XK956258	1999	Western Star Model 4964SX	MV - Motor Vehicle	Current
84	1HTWPAZT76J347162	2006	Inter. Model 75006X4	MV - Motor Vehicle	Current
85	1HTWNAZR16J229635	2006	Inter. Model 75006X4	MV - Motor Vehicle	Current
86	2HSCHARP55C048696	2005	Inter. Model 9900i6X4	MV - Motor Vehicle	Current
87	2HSCHAPR55C213243	1	Inter. Model 9900i6X4	MV - Motor Vehicle	Current
88	2HSCHAPR85C080638	2005	Inter. Model 9900i6X4	MV - Motor Vehicle	Current
89	2HSCHAPR75C213244	2005	Inter. Model 9900i6X4	MV - Motor Vehicle	Current
90	2HSCHAPR16C328671	2006	Inter. Model 9900i6X4	MV - Motor Vehicle	Current
91	1HSMKAAN55H115849	2005	Inter. Model 4400	MV - Motor Vehicle	Current
92	1GDE5C3226F417966	2006	GMC Model C5500	MV - Motor Vehicle	Current
93	1M2P267C4WM037450	1998	Mack Model RD688S	MV - Motor Vehicle	Current
94	1HTTGAET1WJ000077	1998	Inter. Paystar Model 5000	MV - Motor Vehicle	Current
95	1M2P270C4WM037366	1998	Mack Model RD688S,	MV - Motor Vehicle	Current
96	2XKCDB0X8MM927223	1991	Kenworth Model C500-B	MV - Motor Vehicle	Current
97	1M2P267C6WM034419	1998	Mack Model RD688S	MV - Motor Vehicle	Current
98	2NPRLN9X58M746883	2008	Peterbilt Model PB340	MV - Motor Vehicle	Current
99	1HTSECFM0LH238824	1989	Inter. Model 4700	MV - Motor Vehicle	Current
100	2M2P141Y7CC001632	1982	Mack Model RD688S	MV - Motor Vehicle	Current
101	2M2P141C7JC006816	1988	Mack Model RD688S	MV - Motor Vehicle	Current
102	D3117KG10717	1979	Inter. Model F-5070	MV - Motor Vehicle	Current

# Government of Alberta

## Personal Property Registry Search Results Report

Search ID#: Z07453058

103	1XKCDB0X87R992716	2006	Kenworth Model C500-B	MV - Motor Vehicle	Current
104	2CU2BE8L64201569	2004	Trailtech Flat	TR - Trailer	Current
105	2H9CH140050085187	2005	Manufacturer Unknown	TR - Trailer	Current
106	2B9411829V1048268	1997	Bow Ridge Flat	TR - Trailer	Current
107	5NHUBL6288T415466	1	Trailmobile Tandem	TR - Trailer	Current
108	2PLG04030PBJ64860	1993	Peerless Model LB50-SDLRS	TR - Trailer	Current
109	5NHUBL6238T415357	2008	Forest River Tandem	TR - Trailer	Current
110	2R9CS93457P672038	2007	Rafab Tri Axle	TR - Trailer	Current
111	2S912R541TW010108	1996	Saturn 8 x 52 Tri	TR - Trailer	Current
112	1231.6794.003	1972	Trailmobile Tandem	TR - Trailer	Current
113	2N9F35E30V1042245	1997	Alco Tri Axle	TR - Trailer	Current
114	1002	1	12' x 8' Tandem	TR - Trailer	Current
115	2H8V02815FS013104	1984	Fruehauf Model FBXX128102	TR - Trailer	Current
116	4UGFP3037CD20930	2011	ABU Trailers Inc.	TR - Trailer	Current
117	2B9411827V1048267	1997	Bow Ridge Flat	TR - Trailer	Current
118	055152SD10M1B7414	1984	Superior Flat	TR - Trailer	Current
119	2CU138RAX12009035	2001	Trailtech Flat	TR - Trailer	Current
120	2S9F45031NV013017	1992	Stewart 45'	TR - Trailer	Current
121	2S9F45037NV013006	1992	Stewart 45'L Flat Deck	TR - Trailer	Current
122	1H5P048Z6EN013304	1986	Hobbs 48'L TA-DW	TR - Trailer	Current
123	1UYV54388LT300410	1990	Utility 46'L TA-DW	TR - Trailer	Current
124	2C9PF4826HC034050	1987	Chieftain 40'L	TR - Trailer	Current
125	4WWBDB6B6WN600985	1998	Wilson 48'L Highboy	TR - Trailer	Current
126	2FEP04530MS007814	1991	Fruehauf 45'L	TR - Trailer	Current
127	2A9PF4534WN125360	1998	Gerrys Tri-Axle	TR - Trailer	Current
128	5NKGU2622AP005191	2010	Hefty Tandem	TR - Trailer	Current
129	2CUI38RA112009036	2001	Trailtech Tandem	TR - Trailer	Current
130	2FZHAZDL35AU08743	2005	Sterling Tri	MV - Motor Vehicle	Current
131	2FZPAZDE26AU51486	2006	Sterling Tri	MV - Motor Vehicle	Current
132	5NUHCC6255N045056	2005	Continental 16' Tri	TR - Trailer	Current
133	1HTGAET3SH613269	1994	Inter. Model 2574	MV - Motor Vehicle	Current
134	1998025	1	Shop Built Tandem	TR - Trailer	Current
135	2DAEC42664T003803	2009	Tandem Axle Grout	TR - Trailer	Current

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# Government of Alberta

## Personal Property Registry Search Results Report

Search ID#: Z07453058

136	1FT8W3BT2BEC59587	2011	Ford Model F-350	TR - Trailer	Current
137	FT8W38T9BEA92595	2009	Ford Model F-350	MV - Motor Vehicle	Current
138	1FTWW31R09EA05299	2009	Ford Model F-350	MV - Motor Vehicle	Current
139	1FTWW31R89EA04160	2009	Ford Model F-350	MV - Motor Vehicle	Current
140	1FTWW31R38EC91390	2008	Ford Model F-350	MV - Motor Vehicle	Current
141	1FTFW1R66CFB15077	2012	Ford Model F-150	MV - Motor Vehicle	Deleted By 15092328103
142	1FTWW31R59EA02740	2008	Ford Model F-350	MV - Motor Vehicle	Current
143	1GCHK2955E170670	2005	Chevy Model 2500HD	MV - Motor Vehicle	Current
144	1FTWW31R99EA05298	2009	Ford Model F-350	MV - Motor Vehicle	Current
145	1FTFW1ET5CFBS7248	2012	Ford Model F-150	MV - Motor Vehicle	Current
146	1FTFW1ET8CKD86547	2012	Ford Model F-150 XLT	MV - Motor Vehicle	Current
147	1FTFW1ETXCKD86551	2012	Ford Model F-150 XLT	MV - Motor Vehicle	Current
148	1GCHK29D07E112809	2006	Chevy Model 2500HD	MV - Motor Vehicle	Current
149	1FTWW31R78EC69988	2008	Ford Model F-350	MV - Motor Vehicle	Current
150	1GCHK29205E206765	2005	Chevy Model 2500HD	MV - Motor Vehicle	Current
151	1GTEK19C67Z165416	2006	GMC Model 1500	MV - Motor Vehicle	Current
152	1GT423C88BF153319	2010	GMC Model 2500HD	MV - Motor Vehicle	Current
153	1FTFW1ET2CKD71879	2012	Ford Model F-150 XLT	MV - Motor Vehicle	Current
154	1FTFW1ET8CKD71885	2012	Ford Model F-150 XLT	MV - Motor Vehicle	Deleted By 15092328103
155	1GTEK19V67Z165416	2007	GMC Model 1500	MV - Motor Vehicle	Current
156	1GTHK29215E131039	2005	GMC Model 2500HD	MV - Motor Vehicle	Current
157	1FMJV1650BEF19129	2011	Ford Model Expedition	MV - Motor Vehicle	Current
158	1GCGC24R8TZ120414	1996	Chevy Model 2500HD	MV - Motor Vehicle	Current
159	5Y4AM08W37A300824	2007	Yamaha Rhino 660 4 x 4	MV - Motor Vehicle	Current

### Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Search ID#: Z07453058

**Business Debtor Search For:**

ALKEN BASIN DRILLING LTD.

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

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Registration Number: 14032631713

Registration Type: LAND CHARGE

Registration Date: 2014-Mar-26

Registration Status: Current

Registration Term: Infinity

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Exact Match on: Debtor

No: 2

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**Amendments to Registration**

14052234223

Amendment

2014-May-22

---

**Debtor(s)**

**Block**

1 ALKEN BASIN DRILLING LTD.  
Suite 730, 1015 - 4th Street SW  
CALGARY, AB T2R 1J4

**Status**

Deleted by  
14052234223

**Block**

2 ALKEN BASIN DRILLING LTD.  
Unit 8, 7459 Edgar Industrial Blend  
Red Deer, AB T4P 3Z5

**Status**

Current by  
14052234223

**Secured Party / Parties**

**Block**

1 CALLIDUS CAPITAL CORPORATION  
ROYAL TRUST TOWER, STE 4320, 77 KING ST, W.  
TORONTO, ON M5K 1K2

**Status**

Current



Search ID#: Z07453058

**Business Debtor Search For:**

ALKEN BASIN DRILLING LTD.

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

Registration Number: 14032742195

Registration Type: SECURITY AGREEMENT

Registration Date: 2014-Mar-27

Registration Status: Current

Expiry Date: 2016-Mar-27 23:59:59

Exact Match on: Debtor No: 3

**Amendments to Registration**

14040828137

Amendment

2014-Apr-08

14052234502

Amendment

2014-May-22

**Debtor(s)**

**Block**

1 1711760 ALBERTA LTD.  
1015 4th Street SW, Ste. 730  
Calgary, AB T2R 1J4

**Status**

Deleted by  
14040828137

**Block**

2 ALKEN BASIN DRILLING LTD.  
1015 4th Street SW, Ste. 730  
Calgary, AB T2R 1J4

**Status**

Deleted by  
14052234502

**Block**

3 ALKEN BASIN DRILLING LTD.  
Unit 8, 7459 Edgar Industrial Blend  
Red Deer, AB T4P 3Z5

**Status**

Current by  
14052234502

**Secured Party / Parties**

**Block**

1 CALLIDUS CAPITAL CORPORATION  
77 King Street West, Ste. 4320  
Toronto, ON M5K 1K2

**Status**

Current

120

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

**Particulars**

<b><u>Block</u></b>	<b><u>Additional Information</u></b>	<b><u>Status</u></b>
1.	DEBTOR TRANSFER/DEBTOR NAME CHANGE AS A RESULT OF THE AMALGAMATION OF ALKEN BASIN DRILLING LTD. (CORPORATE ACCESS NUMBER 202930590) AND 1711760 ALBERTA LTD. (CORPORATE ACCESS NUMBER 2017117603) TO CONTINUE AS ONE COMPANY UNDER THE NAME OF ALKEN BASIN DRILLING LTD. (CORPORATE ACCESS NUMBER 2018125126) AS EVIDENCED BY THE CERTIFICATE OF AMALGAMATION ISSUED BY THE REGISTRAR OF CORPORATIONS, ALBERTA, DATED APRIL 1, 2014.	Current By 14040828137

Search ID#: Z07453058

**Business Debtor Search For:**

ALKEN BASIN DRILLING LTD.

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

Registration Number: 14032742203

Registration Type: LAND CHARGE

Registration Date: 2014-Mar-27

Registration Status: Current

Registration Term: Infinity

Exact Match on: Debtor

No: 3

**Amendments to Registration**

14040828047

Amendment

2014-Apr-08

14052234132

Amendment

2014-May-22

**Debtor(s)**

**Block**

1 1711760 ALBERTA LTD.  
1015 4th Street SW, Ste. 730  
Calgary, AB T2R 1J4

**Status**

Deleted by  
14040828047

**Block**

2 ALKEN BASIN DRILLING LTD.  
1015 4th Street SW, Ste. 730  
Calgary, AB T2R 1J4

**Status**

Deleted by  
14052234132

**Block**

3 ALKEN BASIN DRILLING LTD.  
Unit 8, 7459 Edgar Industrial Blend  
Red Deer, AB T4P 3Z5

**Status**

Current by  
14052234132

**Secured Party / Parties**

**Block**

1 CALLIDUS CAPITAL CORPORATION  
77 King Street West, Ste. 4320  
Toronto, ON M5K 1K2

**Status**

Current

122

**Particulars**

**Block**    **Additional Information**

**Status**

1    DEBTOR TRANSFER/DEBTOR NAME CHANGE AS A RESULT OF THE AMALGAMATION OF ALKEN BASIN DRILLING LTD. (CORPORATE ACCESS NUMBER 202930590) AND 1711760 ALBERTA LTD. (CORPORATE ACCESS NUMBER 2017117603) TO CONTINUE AS ONE COMPANY UNDER THE NAME OF ALKEN BASIN DRILLING LTD. (CORPORATE ACCESS NUMBER 2018125126) AS EVIDENCED BY THE CERTIFICATE OF AMALGAMATION ISSUED BY THE REGISTRAR OF CORPORATIONS, ALBERTA, DATED APRIL 1, 2014.

Current By  
14040828047

Search ID#: Z07453058

**Business Debtor Search For:**

ALKEN BASIN DRILLING LTD.

Search ID #: Z07453058

Date of Search: 2015-Dec-14

Time of Search: 13:59:37

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Registration Number: 15110435117

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2015-Nov-04

Registration Status: Current

Expiry Date: 2017-Nov-04 23:59:59

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Issued in Red Deer Judicial Centre

Court File Number is 1510-01295

Judgment Date is 2015-Sep-23

This Writ was issued on 2015-Nov-04

Type of Judgment is Other

Original Judgment Amount: \$13,539.90

Costs Are: \$500.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$14,039.90

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Exact Match on: Debtor

No: 1

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**Solicitor / Agent**

GORDON IRVING HOLLETT  
BOX 1832-No.5 Chinook Street  
Blackfalds, AB T0M 0J0

Phone #: 403 600 4135

**Debtor(s)**

**Block**

1 ALKEN BASIN DRILLING LTD  
Po Box 47  
Bentley, AB T0C 0J0

**Status**

Current

**Creditor(s)**

**Block**

1

**Status**

Current

**Government  
of Alberta** ■

**Personal Property Registry  
Search Results Report**

174  
Page 25 of 25

Search ID#: Z07453058

AESTIMO SERVICES LTD.  
PO BOX 1832  
Blackfalds, AB T0M 0J0

Result Complete

AS

This is Exhibit "D" referred to in the Affidavit of  
Craig Boyer, sworn before me at the City of  
Toronto, in the Province of Ontario  
this 21 day of February, 2016.

March

Wagen

A COMMISSIONER FOR TAKING OATHS IN AND FOR  
THE PROVINCE OF ONTARIO

**DEMAND GRID PROMISSORY NOTE – FACILITY A LOAN**

CDN\$5,000,000

March 31, 2014

1. **Promise to Pay.** FOR VALUE RECEIVED, Aiken Basin Drilling Ltd. ( the "Debtor") acknowledges itself indebted and hereby promises to pay to Callidus Capital Corporation (the "Lender") at 77 King Street West, Suite 4320, Toronto, Ontario, M5K 1K2 the principal sum of five million dollars (CDN\$5,000,000) in lawful money of Canada or so much thereof as may be owing to the Lender by the Debtor from time to time, according to the records of the Lender, with interest as provided for herein. The principal amount hereof (together with all accrued interest) shall be repaid in full on demand and otherwise in accordance with the terms of the Loan Agreement (as defined below) and the Facility A Loan (collectively, the "Credit Facility") defined therein.
2. **Interest.** Interest on the principal amount of each advance pursuant to the Credit Facility shall be calculated and payable in accordance with the terms of the Loan Agreement.
3. **Loan Agreement.** This Promissory Note is given pursuant to, and is subject to, the terms of a credit agreement between the Debtor and the Lender dated of even date herewith, as the same may be further amended, supplemented, restated or replaced from time to time (the "Loan Agreement"), and is made with respect to the Credit Facility. Any capitalized term used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.
4. **Endorsement of Grid.** The Debtor hereby appoints the Lender as its duly authorized agent to record on the grid schedule attached hereto all advances made by the Lender to the Debtor and all payments, if any, made by the Debtor on account of the amounts outstanding from time to time under this Promissory Note, and to adjust the balance of amounts owing under this Promissory Note by the Debtor to the Lender from time to time. The amounts outstanding from time to time under this Promissory Note as evidenced on the grid schedule attached hereto shall, in the absence of manifest error, be conclusive and binding on the Debtor, provided that notwithstanding the state of the grid schedule attached hereto, the failure of the Lender to record any amounts owing hereunder on the grid schedule attached hereto shall not affect the obligation of the Debtor to pay to the Lender the amounts due and payable by the Debtor hereunder.
5. **Jurisdiction.** The provisions of this Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
6. **Enurement.** This Promissory Note and all of its provisions shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
7. **Waiver.** The Debtor hereby waives presentment for payment, notice of non-payment, protest and notice of protest and hereby consents to all extensions and renewals hereof, without notice.
8. **Invalidity of Any Provisions.** Any provision of this Promissory Note prohibited by the laws of any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining terms hereof or thereof and no such invalidity shall affect the obligation of the Debtor to repay to the Lender the principal amount and interest provided for herein at the times provided for hereunder.
9. **Electronic Delivery.** Delivery of this Promissory Note by facsimile or by electronic transmission in portable document format (PDF) of an executed copy of this Promissory Note is as effective as delivery of an originally executed copy thereof.

**[Signature page follows.]**



Dated this 31<sup>st</sup> day of March, 2014.

**ALKEN BASIN DRILLING LTD.**

*Michael Baumann - VP Operations*

Name: *Michael Baumann*  
Title: *Vice President - Operations*

Name: *Kevin Baumann*  
Title: *President*

We have authority to bind the Corporation



This is Exhibit "E" referred to in the Affidavit of  
Craig Boyer, sworn before me at the City of  
Toronto, in the Province of Ontario  
this 21 day of February, 2016.  
March

*[Signature]*

A COMMISSIONER FOR TAKING OATHS IN AND FOR  
THE PROVINCE OF ONTARIO

**DEMAND GRID PROMISSORY NOTE – FACILITY B LOAN**

March 31, 2014

CDN\$19,000,000

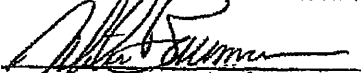
1. **Promise to Pay.** FOR VALUE RECEIVED, Alken Basin Drilling Ltd. ( the "Debtor") acknowledges itself indebted and hereby promises to pay to Callidus Capital Corporation (the "Lender") at 77 King Street West, Suite 4320, Toronto, Ontario, M5K 1K2 the principal sum of nineteen million dollars (CDN\$19,000,000) in lawful money of Canada or so much thereof as may be owing to the Lender by the Debtor from time to time, according to the records of the Lender, with interest as provided for herein. The principal amount hereof (together with all accrued interest) shall be repaid in full on demand and otherwise in accordance with the terms of the Loan Agreement (as defined below) and the Facility B Loan (collectively, the "Credit Facility") defined therein.
2. **Interest.** Interest on the principal amount of each advance pursuant to the Credit Facility shall be calculated and payable in accordance with the terms of the Loan Agreement.
3. **Loan Agreement.** This Promissory Note is given pursuant to, and is subject to, the terms of a credit agreement between the Debtor and the Lender dated of even date herewith, as the same may be further amended, supplemented, restated or replaced from time to time (the "Loan Agreement"), and is made with respect to the Credit Facility. Any capitalized term used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.
4. **Endorsement of Grid.** The Debtor hereby appoints the Lender as its duly authorized agent to record on the grid schedule attached hereto all advances made by the Lender to the Debtor and all payments, if any, made by the Debtor on account of the amounts outstanding from time to time under this Promissory Note, and to adjust the balance of amounts owing under this Promissory Note by the Debtor to the Lender from time to time. The amounts outstanding from time to time under this Promissory Note as evidenced on the grid schedule attached hereto shall, in the absence of manifest error, be conclusive and binding on the Debtor; provided that notwithstanding the state of the grid schedule attached hereto, the failure of the Lender to record any amounts owing hereunder on the grid schedule attached hereto shall not affect the obligation of the Debtor to pay to the Lender the amounts due and payable by the Debtor hereunder.
5. **Jurisdiction.** The provisions of this Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
6. **Enurement.** This Promissory Note and all of its provisions shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
7. **Waiver.** The Debtor hereby waives presentment for payment, notice of non-payment, protest and notice of protest and hereby consents to all extensions and renewals hereof, without notice.
8. **Invalidity of Any Provisions.** Any provision of this Promissory Note prohibited by the laws of any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining terms hereof or thereof and no such invalidity shall affect the obligation of the Debtor to repay to the Lender the principal amount and interest provided for herein at the times provided for hereunder.
9. **Electronic Delivery.** Delivery of this Promissory Note by facsimile or by electronic transmission in portable document format (PDF) of an executed copy of this Promissory Note is as effective as delivery of an originally executed copy thereof.

**[Signature page follows.]**

Demand Grid Promissory Note – Facility B Loan

Dated this 31<sup>st</sup> day of March, 2014.

**ALKEN BASIN DRILLING LTD.**



Name: *Michael Baumann*  
Title: *VP Operations*



Name: *Kevin Baumann*  
Title: *President*

We have authority to bind the Corporation



This is Exhibit "F" referred to in the Affidavit of  
Craig Boyer, sworn before me at the City of  
Toronto, in the Province of Ontario  
this 21 day of ~~February~~, 2016.  
March

M. Mason  
A COMMISSIONER FOR TAKING OATHS IN AND FOR  
THE PROVINCE OF ONTARIO

**DEMAND GRID PROMISSORY NOTE – FACILITY C LOAN**

March 31, 2014

CDN\$4,500,000


1. **Promise to Pay.** FOR VALUE RECEIVED, Aiken Basin Drilling Ltd. ( the "Debtor") acknowledges itself indebted and hereby promises to pay to Callidus Capital Corporation (the "Lender") at 77 King Street West, Suite 4320, Toronto, Ontario, M5K 1K2 the principal sum of four million five hundred thousand dollars (CDN\$4,500,000) in lawful money of Canada or so much thereof as may be owing to the Lender by the Debtor from time to time, according to the records of the Lender, with interest as provided for herein. The principal amount hereof (together with all accrued interest) shall be repaid in full on demand and otherwise in accordance with the terms of the Loan Agreement (as defined below) and the Facility C Loan (collectively, the "Credit Facility") defined therein.
2. **Interest.** Interest on the principal amount of each advance pursuant to the Credit Facility shall be calculated and payable in accordance with the terms of the Loan Agreement.
3. **Loan Agreement.** This Promissory Note is given pursuant to, and is subject to, the terms of a credit agreement between the Debtor and the Lender dated of even date herewith, as the same may be further amended, supplemented, restated or replaced from time to time (the "Loan Agreement"), and is made with respect to the Credit Facility. Any capitalized term used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.
4. **Endorsement of Grid.** The Debtor hereby appoints the Lender as its duly authorized agent to record on the grid schedule attached hereto all advances made by the Lender to the Debtor and all payments, if any, made by the Debtor on account of the amounts outstanding from time to time under this Promissory Note, and to adjust the balance of amounts owing under this Promissory Note by the Debtor to the Lender from time to time. The amounts outstanding from time to time under this Promissory Note as evidenced on the grid schedule attached hereto shall, in the absence of manifest error, be conclusive and binding on the Debtor; provided that notwithstanding the state of the grid schedule attached hereto, the failure of the Lender to record any amounts owing hereunder on the grid schedule attached hereto shall not affect the obligation of the Debtor to pay to the Lender the amounts due and payable by the Debtor hereunder.
5. **Jurisdiction.** The provisions of this Promissory Note shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
6. **Enurement.** This Promissory Note and all of its provisions shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
7. **Waiver.** The Debtor hereby waives presentment for payment, notice of non-payment, protest and notice of protest and hereby consents to all extensions and renewals hereof, without notice.
8. **Invalidity of Any Provisions.** Any provision of this Promissory Note prohibited by the laws of any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining terms hereof or thereof and no such invalidity shall affect the obligation of the Debtor to repay to the Lender the principal amount and interest provided for herein at the times provided for hereunder.
9. **Electronic Delivery.** Delivery of this Promissory Note by facsimile or by electronic transmission in portable document format (PDF) of an executed copy of this Promissory Note is as effective as delivery of an originally executed copy thereof.

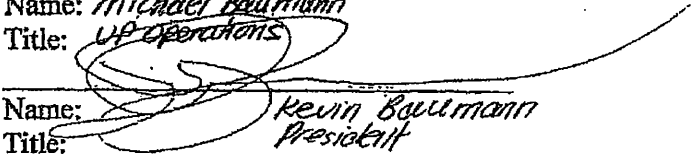
**[Signature page follows.]**



Dated this 31<sup>ST</sup> day of March, 2014.

**ALKEN BASIN DRILLING LTD.**

  
Name: Michael Baumann  
Title: VP Operations

  
Name: Kevin Baumann  
Title: President

We have authority to bind the Corporation



This is Exhibit "G" referred to in the Affidavit of  
Craig Boyer, sworn before me at the City of  
Toronto in the Province of Ontario  
this 21 day of February, 2016.  
MARCH

[Signature]  
A COMMISSIONER PRO TAKING OATHS IN AND FOR  
THE PROVINCE OF ONTARIO



REPLY TO: HARVEY G. CHAITON  
FILE NO.: 54848  
DIRECT: 416-218-1129  
FAX: 416-218-1849  
EMAIL: harvey@chaitons.com

March 18, 2015

**PRIVATE & CONFIDENTIAL**  
**VIA REGISTERED MAIL AND FACSIMILE (403) 264-5455**

Alken Basin Drilling Ltd.  
P.O. Box 47  
Bentley, Alberta T0C 0J0

Attention: Mr. Kevin Baumann

**Re: Callitus Capital Corporation (the "Lender") credit facilities with Alken Basin Drilling Ltd. (the "Borrower") pursuant to a Credit Agreement dated March 31, 2014 (the "Credit Agreement")**

Dear Mr. Baumann:

We are lawyers for the Lender. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

According to our client's records, the Borrower is indebted to the Lender pursuant to the Credit Agreement, a Promissory Note (Facility A) in the amount of \$5,000,000, a Promissory Note (Facility B) in the amount of \$19,000,000 and a Promissory Note (Facility C) in the amount of \$4,500,000 each dated March 31, 2014 (collectively, the "Loan Documents"). The aggregate outstanding balance owing under the Loan Documents as of the close of business on March 16, 2015 is \$23,292,514.02 for principal, interest and fees, plus costs as follows:

Facility A Loan Balance	\$726,014.02
Facility B Loan Balance	\$ 17,961,500.00
Facility C Loan Balance	\$4,540,000.00
Facility C Fee	\$265,000.00
<b>TOTAL:</b>	<b>\$23,292,514.02</b>

Additional interest accrues on the principal loan balances at the rates payable under the Credit Agreement until the date of actual payment.

The Borrower's indebtedness to the Lender is payable on demand and is secured by, among other things, a Demand Debenture dated March 31, 2014 granted by the Borrower in favour of the Lender.

We are advised by our client that: (i) the oil patch industry is in a state of distress; (ii) the Borrower has acknowledged its inability to perform its obligations under the Loan Documents; and (iii) the Borrower continues to incur material losses. As a result, there has been a Material Adverse Change which is an Event of Default as defined in section 24(g) of the Credit Agreement.



As a result of the foregoing, the Lender hereby declares the entire amount of the indebtedness of the Borrower to the Lender under the Loan Documents to be immediately due and payable. Unless the total amount owing as aforesaid together with additional interest accrued and fees and legal costs actually incurred to the date of payment or satisfactory arrangements therefor are made forthwith, the Lender shall take such steps as it deems necessary or advisable to recover payment of the Borrower's indebtedness in full, without further demand upon or notice to the Borrower. Such steps may include enforcement of its security.

Enclosed please find the Lender's Notice of Intention to Enforce Security, which is served upon the Borrower pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

Govern yourself accordingly.

Yours truly,  
CHAITONS LLP

A handwritten signature in cursive script, appearing to read "Harvey G. Chaiton".

Harvey G. Chaiton  
PARTNER  
Encl.

cc. C. Boyer - Callidus Capital Corporation (via email)

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
**(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)**

To: **ALKEN BASIN DRILLING LTD.**, an insolvent person

Take notice that:

1. Callidus Capital Corporation, a secured creditor, intends to enforce its security on all of the assets, property and undertaking of Alken Basin Drilling Ltd.
2. The security that is to be enforced is in the form of a Demand Debenture dated March 31, 2014 (the "**Security**").
3. The total amount of indebtedness secured by the Security as at March 16, 2015 is \$23,292,514.02 for principal and interest, plus costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 18<sup>th</sup> day of March, 2015.

**CALLIDUS CAPITAL  
CORPORATION,**  
by its solicitors Chaitons LLP

Per:



---

HARVEY G. CHAITON

This is Exhibit "H" referred to in the Affidavit of  
Craig Boyer, sworn before me at the City of  
Toronto in the Province of Ontario  
this 21 day of February, 2016.

*March*

*Albores*

A COMMISSIONER FOR TAKING OATHS IN AND FOR  
THE PROVINCE OF ONTARIO



191

February 1, 2016

DELIVERED & VIA EMAIL

Sarah J. Nelligan  
T: 604.831.9199  
F: 604.641.2816  
snelligan@lawsonlundell.com

Alken Basin Drilling Ltd.  
c/o Its Registered and Records Office  
P.O. Box 47  
Bentley, Alberta T0C 0J0

Dear Sirs and Mesdames:

**RE: Your indebtedness to Callidus Capital Corporation ("Callidus") pursuant to a credit agreement made in writing and dated March 31, 2014 (the "Agreement") between Callidus, as lender, and Alken Basin Drilling Ltd. ("Alken"), as borrower, a promissory note in the amount of \$5,000,000 ("Facility A"), a promissory note in the amount of \$19,000,000 ("Facility B"), and a promissory note in the amount of \$4,500,000 ("Facility C"), all secured by, among other things, a demand debenture dated March 31, 2014 (the "Debenture")**

1600 Cathedral Place  
925 West Georgia Street  
Vancouver, British Columbia  
Canada V6C 3L2  
Telephone 604 685 3456  
Facsimile 604 669 1620  
www.lawsonlundell.com

Vancouver  
Calgary  
Yellowknife

We are counsel for Callidus with respect to the above-noted matter.

We are instructed that you have defaulted in your obligations to Callidus. We are further instructed that as at December 31, 2015 you are indebted to Callidus for the total sum of \$27,089,600.99, as follows:

Facility A	\$7,830,731.06
Facility B	\$14,103,331.10
Facility C	\$4,890,538.83
Facility C fee	\$265,000.00
Total (the "Indebtedness")	\$27,089,600.99

On behalf of Callidus, we hereby make formal demand upon you for payment of the Indebtedness. We also make demand upon you pursuant to the Debenture.

Additional interest at the rates payable under the Agreement, will accrue on the above amounts commencing January 1, 2016, as will any further protective disbursements and/or legal costs incurred by our client.





This letter is to advise you that unless payment of the Indebtedness, plus interest to the date of payment, plus legal costs, is made into this office by certified cheque or bank draft payable to "Lawson Lundell LLP, in trust", on or before February 8, 2016, legal proceedings, which may include enforcement of Callidus' security and/or the appointment of a Receiver or Receiver/Manager will be commenced against you without further notice.

Pursuant to the provisions of the *Bankruptcy and Insolvency Act*, we are enclosing a Notice of Intention to Enforce Security in the prescribed form.

All inquiries and payments should be directed to the attention of the writer to ensure that due credit is given immediately to your account.

Yours very truly,

LAWSON LUNDELL LLP

Sarah J. Nelligan

1600 Cathedral Place  
925 West Georgia Street  
Vancouver, British Columbia  
Canada V6C 3L2  
Telephone 604 685 3456  
Facsimile 604 669 1620

www.lawsonlundell.com

Vancouver  
Calgary  
Yellowknife

Encl.

cc. Client

cc. VIA Email, Scott Sinclair <ssinclair@rangeadvisors.com>

BANKRUPTCY AND INSOLVENCY ACT  
FORM 86  
NOTICE OF INTENTION TO ENFORCE SECURITY  
[Subsection 244(1)]

TO: ALKEN BASIN DRILLING LTD.

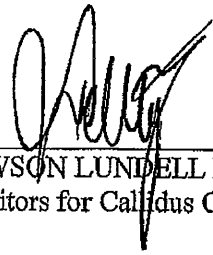
Take notice that:

1. Callidus Capital Corporation, a secured creditor, intends to enforce its security on the property of Alken Basin Drilling Ltd., described below:  

All present and after-acquired personal property of Alken Basin Drilling Ltd. and a floating charge on land.

Various serial numbered goods.
2. The security that is to be enforced is in the form of a Demand Debenture dated March 31, 2014.
3. The total amount of indebtedness secured by the security is \$27,089,600.99 as at December 31, 2015.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless Alken Basin Drilling Ltd. consents to an earlier enforcement.

Dated at Vancouver, British Columbia, this 1<sup>st</sup> day of February, 2016.

  
\_\_\_\_\_  
LAWSON LUNDELL LLP  
solicitors for Callidus Capital Corporation