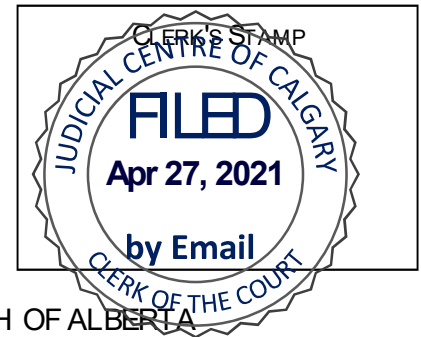


I hereby certify this to be a true copy of
the original Order

Dated this 27 day of April, 2021


for Clerk of the Court

5256



COURT FILE NUMBER 2001-06930
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT ORPHAN WELL ASSOCIATION
RESPONDENT POINT LOMA RESOURCES LTD.
DOCUMENT **APPROVAL AND VESTING ORDER**
(Sale by Receiver of certain assets to Silverleaf Resources Inc.)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Keely Cameron
Telephone No.: 403-298-3324
Fax No.: 403-265-7219
Client File No.: 068775.0003

DATE ON WHICH ORDER WAS PRONOUNCED: April 26, 2021
NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice R. A. Neufeld
LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION of BDO Canada Limited, solely in its capacity as Court-appointed receiver and manager ("**Receiver**") of the current and future assets, undertakings and properties of the Respondent (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and Silverleaf Resources Inc. (the "**Purchaser**") dated April 9, 2021 (the "**Sale Agreement**") and appended to the Confidential Supplement dated April 19, 2021 (the "**Confidential Supplement**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement as the Assets (the "**Purchased Assets**") but excluding all of the Debtor's other assets and interests;

AND UPON HAVING READ the Receivership Order dated June 8, 2020 (the "**Receivership Order**"), the Second Report of the Receiver dated April 19, 2021, and the Confidential Supplement; **AND UPON** hearing counsel for the Receiver and any other interested parties that may be present; **AND UPON IT APPEARING** that all interested and affected parties have been served with notice of this Application; **AND UPON** having read the pleadings, proceedings, orders and other materials filed in this action;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Subject only to approval by the AER of transfer of any applicable licenses, permit and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets listed at **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta);
- (d) any linear or non-linear municipal tax claims under the *Municipal Government Act*, or otherwise;
- (e) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and
- (f) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**")).

For greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:
- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel existing Certificates of Title for those lands and premises municipally or legally described as "Land Title Lands" in Schedule B (the "**Lands**");

- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee);
 - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and
 - (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;
- (b) Alberta Energy ("**Energy Ministry**") shall and is hereby authorized, requested and directed to forthwith:
- (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and
 - (ii) transfer all Crown leases conveyed under the Sale Agreement standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances; and
- (c) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate

shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the AER referenced in paragraph 3 above.
7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims excluding Permitted Encumbrances shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order or as against any Receiver's Charge outstanding pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.

10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

MISCELLANEOUS MATTERS

14. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of the Debtor; and
 - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall

not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
17. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Receiver's website, and service on any other person is hereby dispensed with.

18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

R. Ann

Justice of the Court of Queen's
Bench of Alberta

Schedule "A"

FORM OF RECEIVER'S CERTIFICATE

CLERK'S STAMP

COURT FILE NUMBER 2001-06930
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT ORPHAN WELL ASSOCIATION
RESPONDENT POINT LOMA RESOURCES LTD.
DOCUMENT **RECEIVER'S CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Keely Cameron
Telephone No.: 403-298-3324
Fax No.: 403-265-7219
Client File No.: 068775.0003

RECITALS

- A. Pursuant to an Order of the Honourable Mr. Justice P. R. Jeffrey of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**"), dated June 8, 2020, BDO Canada Limited was appointed as the Receiver (the "**Receiver**") of the undertaking, property and assets of Point Loma Resources Ltd. ("**Point Loma**").
- B. Pursuant to an Order of the Court dated April 26, 2021 (the "**Vesting Order**"), the Court approved the Transaction (as defined in the Vesting Order) between the Receiver and Silverleaf Resources Inc. (the "**Purchaser**") dated as of April 9, 2021 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser of Point Loma's right, title and interest in and to the Purchased Assets (as defined in the Vesting Order), which vesting is to be effective with respect to the Purchased Assets

upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the Sale Agreement) for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price (as defined in the Sale Agreement) for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver to the Purchaser at [TIME] on [DATE].

BDO CANADA LIMITED in its capacity as Receiver of the undertaking, property and assets of Point Loma, and not in its personal capacity.

Per: _____

Name:

Title:

Schedule "B"

List of Purchased Assets

The Purchased Assets consist of the Assets (as defined in the Sale Agreement, and each subsequent capitalized term herein having the respective meaning as defined therein), including, without limitation, (i) the Petroleum and Natural Gas Rights within the Lands described in the attachments to this Schedule "B", and (ii) the Wells and the Facilities described in the attachments to this Schedule "B".

SCHEDULE A

Part 1 – Lands

Area Name				
File No. Lessor Lease Date Mineral Interest	Land Description Mineral Rights/Zones	Well UWI	Working Interest %	Burdens
<u>WHITECOURT</u> - M00110 588100423 Oct 20/88 100%	58-21W5M: NW23 PNG Surface to Base Cardium	100/14-23-058-21W5/0	Pt Loma 80.0% Petroman 20.0%	LOR: Crn S/S GOR: 2.5%; on 80% prod to Source Rock 100%; by Pt Loma 100% GOR: 5-15% oil (1/150.0); 15% gas; on 100% prod to CoastalRes 100%; by Pt Loma 80%
<u>THORSBY</u> M00010-3 411110070 Nov 03/11 100%	49-01W5M: 18 PNG in Glauconite	103/11-18-049-01W5/0	Pt Loma 100%	LOR: Crn S/S GOR: 1.25% on 100% prod to KAITARARES 68.8%, AVENUEENERG 8%, PICKERING 23.2%; BY Pt Loma 100% GOR: 2.5% on 100% to Source Rock 100%; by Pt Loma 100%
<u>PINE CREEK</u> M00524-3 505070277 Jul 14/05 100%	55-17W5M: N7 PNG Base Fish Scales to Base Rock Creek	102/05-07-055-17W5/3	<u>Before Payout</u> Pt Loma 25.0% Velvet 75% <u>After Payout</u> Pt Loma 62.5% Velvet 37.5%	LOR: Crn S/S GOR: 2.5% on 25% prod to Source Rock 100%; by Pt Loma 100% GOR: 5-15% oil (1/23.8365); 15% gas, on 75% prod to Pt Loma 100%; by Velvet 100%
M00525-2 501020179 Feb 08/01 100%	55-17W5M: S7 PNG Base Fish Scales to Base Rock Creek	102/05-07-055-17W5/3	<u>Before Payout</u> Pt Loma 25.0% Velvet 75% <u>After Payout</u>	LOR: Crn S/S GOR: 12.5% on 100% prod to Taqa 100%; by Pt Loma 100%

Area Name File No. Lessor Lease Date Mineral Interest	Land Description Mineral Rights/Zones	Well UWI	Working Interest %	Burdens
			Pt Loma 62.5% Velvet 37.5%	GOR: 2.5% on 25% prod to Source Rock 100%; by Pt Loma 100% GOR: 5-15% oil (1/23.8365); 15% gas, on 75% prod to Pt Loma 100%; by Velvet 100%
M00529 505070276 Jul 14/05 100%	55-17W5M: S7 PNG Surface to Base Cardium	103/05-07-055-17W5/0	Pt Loma 100%	LOR: Crn S/S GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 7.5% on 100% prod to TORLAND 10%, SUPERNOVA 18%, STONEPET 62%, 349385 AB 10%; by Pt Loma 100%
M00527-2 507050333 May 17/07 100% <i>This lease is Pooled with SE35 (M00532) pursuant to a Pooling & Operating Agreement (C00143)</i>	54-18W5M: NE35 PNG in Cardium	100/16-35-054-18W5/0	<u>Pooled WI</u> Pt Loma 20.0% Long Run 80.0% <u>Rental Interest</u> ** Pt Loma 40% Long Run 60%	LOR: Crn S/S ** GOR: 2.5% on 20% prod to Source Rock 100%; by Pt Loma 100%
M00527-3 507050333 May 17/07 100%	54-18W5M: NW & SW35 PNG in Cardium	100/03-35-054-18W5/0	Pt Loma 40.0% Long Run 60.0%	LOR: Crn S/S GOR: 2.5% on 40% prod to Source Rock 100%; by Pt Loma 100%
M00530-1 507050334 May 17/07 100%	54-18W5M: 36 PNG in Cardium	100/13-36-054-18W5/0	<u>Working Interest</u> Pt Loma 40.0% Long Run 60.0% <u>Rental Interest</u> Pt Loma 50% Pine Cliff 20% Velvet 30%	LOR: Crn S/S GOR: 2.5% on 40% prod to Source Rock 100%; by Pt Loma 100%

Area Name				
File No. Lessor Lease Date Mineral Interest	Land Description Mineral Rights/Zones	Well UWI	Working Interest %	Burdens
M00526 5406060285 Jun 01/06 100%	55-17W5M: 8 PNG Base Bluesky/Bullhead to Base Rock Creek	100/10-08-055- 17W5/0	Pt Loma 100%	LOR: Crn S/S GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100%
<u>GILBY</u> M00432 1450462 AB Ltd. Jan 29/04 14.28570%	39-28W4M: ptn SE25 (1/7 min int) easterly 1000 ft PNG from base Edmonton to base Mannville Excluding 100/14-25-039- 28W4/0 wellbore and production therefrom	100/02-25-039- 28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 17% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod to Prairiesky 100%; by Pt Loma 100%
M00433 Spady, S Feb 02/04 14.28570%	39-28W4M: ptn SE25 (1/7 min int) easterly 1000 ft PNG from base Edmonton to base Mannville Excluding 100/14-25-039- 28W4/0 wellbore and production therefrom	100/02-25-039- 28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 17% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod to Prairiesky 100%; by Pt Loma 100%
M00434 Paget, L Jan 30/04 14.28570%	39-28W4M: ptn SE25 (1/7 min int) easterly 1000 ft PNG from base Edmonton to base Mannville Excluding 100/14-25-039- 28W4/0 wellbore and production therefrom	100/02-25-039- 28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 17% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod to Prairiesky 100%; by Pt Loma 100%
M00435 Paget, L Jan 30/04 14.28570%	39-28W4M: ptn SE25 (1/7 min int) easterly 1000 ft PNG from base Edmonton to base Mannville	100/02-25-039- 28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 17% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod

Area Name				
File No. Lessor Lease Date Mineral Interest	Land Description Mineral Rights/Zones	Well UWI	Working Interest %	Burdens
	Excluding 100/14-25-039-28W4/0 wellbore and production therefrom			to Prairiesky 100%; by Pt Loma 100%
M00436 Johnston, C Jan 28/04 14.28570%	39-28W4M: ptn SE25 (1/7 min int) easterly 1000 ft PNG from base Edmonton to base Mannville Excluding 100/14-25-039-28W4/0 wellbore and production therefrom	100/02-25-039-28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 17% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod to Prairiesky 100%; by Pt Loma 100%
M00437 Johnston, G Jan 30/04 14.28570%	39-28W4M: ptn SE25 (1/7 min int) easterly 1000 ft PNG from base Edmonton to base Mannville Excluding 100/14-25-039-28W4/0 wellbore and production therefrom	100/02-25-039-28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 17% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod to Prairiesky 100%; by Pt Loma 100%
M00438 Johnston, E (now 50% Simpson, D 50% Saxinger, S as Joint Tenants Feb 05/04 14.2857142%	39-28W4M: ptn SE25 (1/7 min int) easterly 1000 ft PNG from base Edmonton to base Mannville Excluding 100/14-25-039-28W4/0 wellbore and production therefrom	100/02-25-039-28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 17% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod to Prairiesky 100%; by Pt Loma 100%
M00442 Cupid, G Oct 01/06 11.1111000%	39-28W4M: ptn SE25 (1/9 min int) excluding easterly 1000 ft PNG from base Edmonton to base Mannville	100/02-25-039-28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 18% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod

Area Name				
File No. Lessor Lease Date Mineral Interest	Land Description Mineral Rights/Zones	Well UWI	Working Interest %	Burdens
	Excluding 100/14-25-039-28W4/0 wellbore and production therefrom			to Prairiesky 100%; by Pt Loma 100%
M00446 Hueppelshauer, DG Oct 04/06 11.1111000%	39-28W4M: ptn SE25 (1/9 min int) excluding easterly 1000 ft PNG from base Edmonton to base Mannville Excluding 100/14-25-039-28W4/0 wellbore and production therefrom	100/02-25-039-28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 18% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod to Prairiesky 100%; by Pt Loma 100%
M00450 Hueppelshauer, DM Oct 03/06 33.3333000%	39-28W4M: ptn SE25 (1/3 min int) PNG from base Edmonton to base Mannville Excluding 100/14-25-039-28W4/0 wellbore and production therefrom	100/02-25-039-28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 18% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod to Prairiesky 100%; by Pt Loma 100%
M00454 Hueppelshauer, LO Oct 01/06 11.1111000%	39-28W4M: ptn SE25 (1/9 min int) PNG from base Edmonton to base Mannville Excluding 100/14-25-039-28W4/0 wellbore and production therefrom	100/02-25-039-28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 18% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod to Prairiesky 100%; by Pt Loma 100%
M00458 Hueppelshauer, LM & Mand, KA, as Joint Tenants 11.1111000%	39-28W4M: ptn SE25 (1/9 min int) PNG from base Edmonton to base Mannville Excluding 100/14-25-039-28W4/0 wellbore and production therefrom	100/02-25-039-28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 18% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod to Prairiesky 100%; by Pt Loma 100%
M00460			<u>Working Interest</u>	LOR: 18%

Area Name				
File No. Lessor Lease Date Mineral Interest	Land Description Mineral Rights/Zones	Well UWI	Working Interest %	Burdens
Feagan, EA Oct 04/06 11.1111000%	39-28W4M: ptn SE25 (1/9 min int) PNG from base Edmonton to base Mannville Excluding 100/14-25-039-28W4/0 wellbore and production therefrom	100/02-25-039-28W4/0	Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod to Prairiesky 100%; by Pt Loma 100%
M00464 Siegfried, J Oct 02/06 11.1111000%	39-28W4M: ptn SE25 (1/9 min int) PNG from base Edmonton to base Mannville Excluding 100/14-25-039-28W4/0 wellbore and production therefrom	100/02-25-039-28W4/0	<u>Working Interest</u> Pt Loma 100% <u>Rental Interest</u> Pt Loma 50% NAL 50%	LOR: 18% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 100% prod to Prairiesky 100%; by Pt Loma 100%
M00399 Pr Sky Rlty Jun 01/15 100%	40-28W4M: SE13 Petroleum in Mannville LEASE DEEMED DEAD BY PR SKY RLTY	100/08-13-040-28W4/0	Pt Loma 100%	LOR: 25.0% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100%
M00400 Pr Sky Rlty Jun 01/15 100%	40-28W4M: SW13 Petroleum in Mannville LEASE DEEMED DEAD BY PR SKY RLTY	100/03-13-040-28W4/0 100/03-13-040-28W4/2	Pt Loma 100%	LOR: 25.0% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100%
M00496 Pr Sky Rlty Sep 22/08 100%	43-01W5M: ptn NW03 Petroleum in Ellerslie LEASE DEEMED DEAD BY PR SKY RLTY	100/14-03-043-01W5/0	<u>Pooled WI</u> Pt Loma 35.09375% Bonavista 29.8125% Eagle 35.09375% <u>Rental Interest</u> Pt Loma 35% Bonavista 30% Eagle 35%	LOR: 25.0% GOR: 2.5% on 35.09375% prod to Source Rock 100%; by Pt Loma 100%
M00491-2 408030204	43-01W5M: SW03 (ptn designated as Lake No. 3)	100/06-03-043-01W5/0	<u>Pooled WI</u> Pt Loma 38.375%	LOR: Crn S/S **

Area Name				
File No. Lessor Lease Date Mineral Interest	Land Description Mineral Rights/Zones	Well UWI	Working Interest %	Burdens
Mar 06/08 100%	Petroleum in Ellerslie		Bonavista 23.25% Eagle 38.375% <u>Rental Interest</u> ** Pt Loma 50% Eagle 50%	GOR: 15% on 100% prod to Cona 100%; by Pt Loma 50%, Eagle 50% GOR: 2.5% on 38.375% prod to Source Rock 100%; by Pt Loma 100%
M00474 Pr Sky Rlty formerly Fair, D Aug 26/06 100% - - -	40-28W4M: ptn NW13 (64.7 ha) Natural Gas only Surface to Basement - LEASE DEEMED DEAD BY PR SKY RLTY - -	100/04-13-040- 28W4/0 - - - - - - -	Pt Loma 100% - - - - - - - -	LOR: 16.0% - GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% - GOR: 12.5% on 10% prod to Pr Sky Rlty 100%; by PLX 100% -
M00402 Pr Sky Rlty Jun 01/15 100% - -	40-28W4M: ptn 13 (195.942 ha) Mannville Natural Gas only LEASE DEEMED DEAD BY PR SKY RLTY -	100/04-13-040- 28W4/0 - - - - - -	Pt Loma 100% - - - - - -	LOR: 20.0% - GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100% -
M00430-2 403030271 Mar 06/03 100%	40-28W4M: 11 only 100/10-11-040-28W4/0 wellbore and production therefrom (Ellerslie oil well)	100/10-11-040- 28W4/0	Pt Loma 60.0% Ft Calgary 35.0% Area 2 5.0%	LOR: Cm S/S GOR: 2.5% on 60% prod to Source Rock 100%; by Pt Loma 1005 GOR: 15% on 100% prod to Rivera 50%, Source Rock 35%, Pt Loma 15% by Pt Loma 60%, Area 2 5%, Ft Calgary 35%
M00513-2 33854 Feb 05/74 100%	41-03W5M: 36 PNG Base Ostracod to Base Jurassic Excl 102/10-36-041-03W5 Penalty wellbore and production therefrom	100/10-36-041- 03W5/0	Pt Loma 2.559375% Pt Loma 1.096875% (Silent) Caledonian 3.9375% Firenze 3.65625% Journey 88.75%	LOR: Cm S/S GOR: 2.5% on 3.65625% prod to Source Rock 100%; by Pt Loma 100%

Area Name				
File No. Lessor Lease Date Mineral Interest	Land Description Mineral Rights/Zones	Well UWI	Working Interest %	Burdens
M00513-3 33854 Feb 05/74 100%	41-03W5M: 36 Only 102/10-36-041-03W5 Penalty wellbore and production therefrom	102/10-36-041-03W5/0	<u>BPP (Current)</u> Pt Loma 2.6708150% Pt Loma 1.1446350% (Silent) Caledonian 0% (Penalty) Firenze 3.81545% Journey 92.3691% <u>APP</u> Pt Loma 2.559375% Pt Loma 1.096875% (Silent) Caledonian 3.9375% Firenze 3.65625% Journey 88.75%	LOR: Crn S/S GOR: 2.5% on 3.81545% prod to Source Rock 100%; by Pt Loma 100%
M00411 499030408 Mar 18/99 100%	45-01W5M: N14, Lsd1 & 8 PNG to Base Mannville M00411 & M00412 are pooled C00185	100/04-14-045-01W5/0	<u>Pooled WI</u> Pt Loma 50% NAL 50% <u>Pre-Pooled / Rental **</u> Pt Loma 100%	LOR: Crn S/S ** GOR: 2.5% on 50% prod to Source Rock 100%; by Pt Loma 100%
M00412 26889 Jan 31/72 100%	45-01W5M: SW14, Lsd 2 & 7 PNG to Base Mannville M00411 & M00412 are pooled C00185	100/04-14-045-01W5/0	<u>Pooled WI</u> Pt Loma 50% NAL 50% <u>Pre-Pooled / Rental **</u> Pt Loma 100%	LOR: Crn S/S ** GOR: 2.5% on 50% prod to Source Rock 100%; by Pt Loma 100%
M00427-4 400050460 May 18/00 100%	42-03W5M: 06 PNG in Ellerslie	100/12-06-042-03W5/02	Pt Loma 53.333% Pt Loma 6.250% (Silent) Coastal 18.750% Bonavista 16.667% Area 2 5.000%	LOR: Crn S/S 15% GOR to Conoco (no deductions) GOR: 2.5% on 59.583% prod to Source Rock 100%; by Pt Loma 100% GOR: 15% on 50% prod

Area Name				
File No. Lessor Lease Date Mineral Interest	Land Description Mineral Rights/Zones	Well UWI	Working Interest %	Burdens
				to Cenovus 100%; by Pt Loma 66.5%, Pt Loma 28.5% (silent), Area 2.5%
M00413 404080460 Aug 19/04 100%	45-02W5M: 04 PNG in Lower Mannville (Ellerslie?)	100/04-04-045-02W5/0	Pt Loma 100%	LOR: Crn S/S GOR: 2.5% on 1005 prod to Source Rock 100%; by Pt Loma 100%
M00478 405120574 Dec 15/05 100%	39-28W4M: 24 Base Edmonton to Base Mannville excl CBM	100/10-24-039-28W4/0	Pt Loma 100%	LOR: Crn S/S GOR: 12.5% on 100% prod to Freehold Roy 100%; by Pt Loma 100% GOR: 2.5% on 100% prod to Source Rock 100%; by Pt Loma 100%
M00497 EnCana Sep 22/08 100% LEASE SURRENDERED Sep 22/19	43-01W5M: SE3 Petroleum only in Ellerslie	100/08-03-043-01W5/0	Pt Loma 35.0% * Bonavista 30.0% Eagle 25.0%	LOR: 25% GOR: 2.5% on 35% prod to Source Rock 100%; by Pt Loma 100%
M00532 5496050091 May 27/96 100%	54-18W5M: SE35 PNG in Cardium Excluding 100/08-35-054-18W5 wellbore	100/16-35-054-18W5/0	<u>Pooled WI</u> Pt Loma 20% Long Run 80% <u>Pre-Pooled **</u> Long Run 100%	LOR: Crn S/S ** GOR 2.5% on 20% to Source Rock 100%; by Pt Loma 100%
- M00498 Pr Sky Rlty Sep 22/08 100% - - -	- 43-01W5M: SW3 (ptn) Petroleum in Ellerslie LEASE DEEMED DEAD BY PR SKY RLTY - - -	- 100/06-03-043-01W5/0 - - -	- <u>Pooled WI</u> Pt Loma 38.375% Bonavista 23.25% Eagle 38.375% <u>Rental Interest</u> ** Pt Loma 35%	LOR: 25% ** - GOR: 2.5% on 38.375% prod to Source Rock 100%; by Pt Loma 100% - - -

Area Name File No. Lessor Lease Date Mineral Interest	Land Description Mineral Rights/Zones	Well UWI	Working Interest %	Burdens
-	-	-	- Bonavista 30%	-
-	-	-	- Eagle 35%	-
-	-	-	-	-

Part 2 (a) Wells

#	Area Name	License	UWI	Surface Location	Status	Formation	Licensee	Working Interest
1	Fir	0139207	100/14-23-058-21W5/00	13-23-058-21W5	Oil	Cardium	Point Loma Resources Ltd.	80%
2	Thorsby	0477862	103/11-18-049-01W5/00	11-18-049-01W5	Gas	Glauconitic	Point Loma Resources Ltd.	100%
3	Thorsby	0477862	103/11-18-049-01W5/02	11-18-049-01W5			Point Loma Resources Ltd.	100%
4	Pine Creek	0448870	100/03-35-054-18W5/00	03-01-055-18W5	Oil	Cardium	Long Run	40%
5	Pine Creek	0465291	100/16-35-054-18W5/00	16-26-054-18W5	Oil	Cardium	Long Run	20%
6	Pine Creek	0446093	100/13-36-054-18W5/00	16-26-054-18W5	Oil	Cardium	Long Run	40%
7	Pine Creek	0207381	102/05-07-055-17W5/03	05-07-055-17W5	Suspended Gas	Rock Creek	Velvet Energy Ltd.	BPO: 25% APO: 62.5%
8	Pine Creek	0433560	103/05-07-055-17W5/00	09-07-055-17W5	Oil	Cardium	Point Loma Resources Ltd.	100%
9	Pine Creek	0416904	100/10-08-055-17W5/00	10-08-055-17W5	Gas	Rock Creek	Point Loma Resources Ltd.	100%
10	Greater Gilbby	397734	100/02-25-039-28W4/00	02-25-039-28W4	Oil	Ellerslie	Point Loma Resources Ltd.	100%
11	Greater Gilbby	0374624	100/10-11-040-28W4/00	10-11-040-28W4	Oil	Ellerslie	Point Loma Resources Ltd.	60%
12	Greater Gilbby	0376832	100/03-13-040-28W4/02	03-13-040-28W4	Oil	Ellerslie	Point Loma Resources Ltd.	100%
13	Greater Gilbby	0376832	100/03-13-040-28W4/00	03-13-040-28W4	Drilled & Cased	Banff	Point Loma Resources Ltd.	100%
14	Greater Gilbby	0399657	100/04-13-040-28W4/00	04-13-040-28W4	Gas	Ellerslie	Point Loma Resources Ltd.	100%
15	Greater Gilbby	0396669	100/08-13-040-28W4/00	08-13-040-28W4	Oil	Ellerslie	Point Loma Resources Ltd.	100%
16	Greater Gilbby	0414260	100/06-03-043-01W5/00	11-03-043-01W5	Oil	Ellerslie	Point Loma Resources Ltd.	38.38%
17	Greater Gilbby	0404077	100/08-03-043-01W5/00	05-02-043-01W5	Suspended Oil	Ellerslie	Point Loma Resources Ltd.	35.00%
18	Greater Gilbby	0400295	100/14-03-043-01W5/00	14-03-043-01W5	Oil	Ellerslie	Point Loma Resources Ltd.	35.09%
19	Greater Gilbby	0402202	100/10-24-039-28W4/00	08-24-039-28W4	Susp. Gas	Ellerslie	Point Loma Resources Ltd.	100%
20	Greater Gilbby	0354792	100/12-06-042-03W5/02	12-06-042-03W5	Gas	Ellerslie	Point Loma Resources Ltd.	59.58%
21	Greater Gilbby	0318198	100/04-04-045-02W5/00	04-04-045-02W5	Gas	Ellerslie	Point Loma Resources Ltd.	100%
22	Greater Gilbby	0181145	100/10-36-041-03W5/00	10-36-041-03W5	Gas	Fernie,Nord	Journey	3.66%
23	Greater Gilbby	0308931	102/10-36-041-03W5/00	10-36-041-03W5	Gas	Ellerslie	Journey	3.81%
24	Greater Gilbby	0228018	100/04-14-045-01W5/00	04-14-045-01W5	Gas	Glauc,Ellers	Tamarack	50%

Part 2 (b) Facilities

#	AREA NAME	LOCATION	FACILITY ID	TYPE	LICENSE #	LICENSEE
1	Fir	13-23-058-21W5	ABBT0040660	CRUDE OIL SINGLE-WELL BATTERY	W 139207	POINT LOMA RESOURCES LTD.
2	Thorsby	11-18-049-01W5	ABBT0146616	GAS SINGLE-WELL BATTERY	W477862	POINT LOMA RESOURCES LTD.
3	Pine Creek	09-07-055-17W5	ABBT0117099	CRUDE OIL SINGLE-WELL BATTERY	W433560	POINT LOMA RESOURCES LTD.
4	Pine Creek	10-08-055-17W5	ABBT0142958	GAS SINGLE WELL BATTERY	W416904	POINT LOMA RESOURCES LTD.
5	Greater Gilbby	02-25-039-28W4	ABBT0098600	GAS SINGLE WELL BATTERY	W397734	POINT LOMA RESOURCES LTD.
6	Greater Gilbby	10-11-040-28W4	ABBT0117717	CRUDE OIL MULTIWELL PRORATION BATTERY	F42840	POINT LOMA RESOURCES LTD.
7	Greater Gilbby	05-02-043-01W5	ABBT0101003	GAS MULTIWELL BATTERY	F40576	POINT LOMA RESOURCES LTD.
8	Greater Gilbby	05-02-043-01W5	ABBT0101005	CRUDE OIL MULTIWELL BATTERY	F40576	POINT LOMA RESOURCES LTD.
9	Greater Gilbby	05-02-043-01W5	ABBT0114329	CRUDE OIL MULTIWELL PRORATION BATTERY	F40576	POINT LOMA RESOURCES LTD.
10	Greater Gilbby	05-02-043-01W5	ABGS0115652	GAS GATHERING SYSTEM	F40576	POINT LOMA RESOURCES LTD.
11	Greater Gilbby	03-13-040-28W4	ABBT0114318	CRUDE OIL MULTIWELL PRORATION BATTERY	F42854	POINT LOMA RESOURCES LTD.
12	Greater Gilbby	08-24-039-28W4	ABBT0100337	GAS SINGLE WELL BATTERY	W402202	POINT LOMA RESOURCES LTD.
13	Greater Gilbby	12-06-042-03W5	ABBT0112631	GAS SINGLE WELL BATTERY	W354792	POINT LOMA RESOURCES LTD.

Part 2 (c) Pipelines

#	Area Name	LICENSE	LINE	STATUS	SUBS.	FROM LSD	TO LSD	LENG TH (KM)	DIAMETER (mm)	LICENSEE
1	Fir	45696	1	Operating	NG	13-23-058-21W5	10-23-058-21W5	0.89	88.9	POINT LOMA
2	Thorsby	59336	1	Operating	OE	11-18-049-01W5	01-07-049-01W5	3.06	124	POINT LOMA
3	Pine Creek	39400	14	Operating	NG	05-07-055-17W5	06-19-055-17W5	4.63	114.3	VELVET ENERGY LTD.
4	Pine Creek	46502	18	Operating	NG	06-19-055-17W5	07-25-055-17W5	1.94	114.3	VELVET ENERGY LTD.
5	Pine Creek	47979	1	Discontiued	NG	07-25-055-17W5	06-19-055-17W5	1.94	88.9	VELVET ENERGY LTD.
6	Pine Creek	46502	19	Operating	NG	11-30-055-17W5	07-25-055-17W5	1.39	168.3	VELVET ENERGY LTD.
7	Pine Creek	46502	17	Operating	NG	11-30-055-17W5	10-30-055-17W5	0.22	114.3	VELVET ENERGY LTD.
8	Pine Creek	57733	1	Operating	NG	10-08-055-17W5	13-05-055-17W5	1.70	114.3	POINT LOMA
9	Pine Creek	57733	2	Operating	NG	09-07-055-17W5	05-07-055-17W5	1.06	114.3	POINT LOMA
10	Greater Gilby	50276	1	Operating	NG	14-25-039-28W4	14-26-039-28W4	1.60	114.3	POINT LOMA
11	Greater Gilby	50276	2	Operating	NG	02-25-039-28W4	14-25-039-28W4	1.46	114.3	POINT LOMA
12	Greater Gilby	60336	3	Operating	NG	10-11-040-28W4	06-11-040-28W4	0.58	114.3	POINT LOMA
13	Greater Gilby	60336	4	Operating	NG	06-11-040-28W4	14-26-039-28W4	4.90	114.3	POINT LOMA
14	Greater Gilby	60336	6	Operating	NG	03-13-040-28W4	10-11-040-28W4	2.00	114.3	POINT LOMA
15	Greater Gilby	54465	1	Operating	OE	08-13-040-28W4	03-13-040-28W4	1.20	114.3	POINT LOMA
16	Greater Gilby	51169	3	Operating	OE	11-03-043-01W5	14-03-043-01W5	0.43	88.9	POINT LOMA
17	Greater Gilby	51169	4	Operating	OE	14-03-043-01W5	05-02-043-01W5	2.51	114.3	POINT LOMA
18	Greater Gilby	51202	1	Operating	NG	08-24-039-28W4	12-13-039-28W4	2.3	88.9	POINT LOMA
19	Greater Gilby	54291	1	Operating	FG	07-05-045-02W5	04-04-045-02W5	0.73	60.3	POINT LOMA
20	Greater Gilby	44316	1	Operating	NG	04-04-045-02W5	07-05-045-02W5	0.73	88.9	POINT LOMA
21	Greater Gilby	41014	1	Operating	NG	07-05-045-02W5	16-18-045-02W5	5.15	88.9	POINT LOMA

Schedule "C"

Claims

Schedule "D"

Permitted Encumbrances

Permitted Encumbrances consist of the following (with capitalized terms having the definitions given to them in the Sale Agreement, unless otherwise defined in this Order):

- (i) all Encumbrances, including any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
- (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
- (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- (iv) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
- (v) rights of general application reserved to or vested in any Governmental Authority to levy taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor, subsequent to the date of this Agreement, provided that such agreements are terminable without penalty or cost on 31 days' or less notice;
- (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties provided that such obligations are indicated on a Schedule to this Agreement;
- (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (ix) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's or the Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;

- (x) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
- (xiii) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or the Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;

provided that in no circumstance shall any amounts owing by the Debtor, or the Vendor for and on behalf of the Debtor, to a Governmental Authority prior to the Closing Date in respect of taxes on linear or non linear property (as defined in the *Municipal Government Act* (Alberta)) be a Permitted Encumbrance.