

COURT FILE NUMBER 1901-14615
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF ORPHAN WELL ASSOCIATION
DEFENDANT HOUSTON OIL AND GAS LTD.
DOCUMENT **APPROVAL AND VESTING ORDER
(Sale by Receiver)**

Clerk's Stamp

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Borden Ladner Gervais LLP**
1900, 520 – 3rd Avenue S.W.
Calgary, AB T2P 0R3

Attention: Jack R. Maslen
Telephone: (403) 232-9790
Email: jmaslen@blg.com

DATE ON WHICH ORDER WAS PRONOUNCED: October 8, 2020

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Madam Justice Shelley

UPON THE APPLICATION by BDO Canada Limited in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertakings, property and assets of Houston Oil and Gas Ltd. (the “**Debtor**”) for an order (i) approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Canadian Natural Resources (the “**Purchaser**”) dated September 29, 2020, a redacted copy of which is appended as an Appendix to the Supplement to the Second Report of the Receiver dated September 30, 2020 (the “**Supplement to the Second Report**”) and an unredacted copy of which is appended as a Confidential Appendix to the Supplement to Second Report, and (ii) vesting in the Purchaser (or its nominee) the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

AND UPON HAVING READ the Receivership Orders dated October 29, 2019 and June 30, 2020 (together, the “**Receivership Order**”), the Supplement to the Second Report, the Confidential Appendices to the Supplement to the Second Report, the Second Report of the Receiver dated August 24, 2020 (the “**Second Report**”), the Confidential Supplement to the Second Report dated August 24, 2020 (the “**Confidential Supplement**”), the Affidavit of Service, and such additional pleadings and proceedings had and taken in this action; **AND UPON HEARING** the submissions from counsel for the Receiver and counsel for any other interested parties appearing at the hearing of this application, which occurred via WebEx Video Conference, having regard to the Court’s procedures for the COVID-19 pandemic;

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, 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 Alberta Energy Regulator (“**Energy Regulator**”) of transfer of any applicable licenses, permits 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 in **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); and
- (d) 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**"))

and 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. Without limiting the generality of the foregoing relating to the vesting of the Debtor's right, title and interest in and to the Purchased Assets free and clear of any Claims, the following interests shall be treated as Claims within the contemplation of this Approval and Vesting Order:

- (a) the overriding royalty interest and any related rights and obligations granted pursuant to the Royalty Agreement dated April 10, 2018 between the Debtor and Pioneer Oil Well Service Corp, which was disclaimed by the Receiver on December 4, 2019.

5. 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) 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 listed in **Schedule "E"** to this Order 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;
 - (b) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") 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.

6. 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 including Encumbrances but excluding Permitted Encumbrances.
7. 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 Energy Regulator referenced in paragraph 3 above.
8. 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.
9. 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 including Encumbrances (but 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.

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).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past employees. The Purchaser (or its nominee) shall maintain and protect

the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

15. 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.

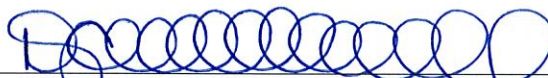
16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. 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.

18. 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 at:
[https://relieffromdebt.ca/houston-oil-gas-ltd./](https://relieffromdebt.ca/houston-oil-gas-ltd/)

and service on any other person is hereby dispensed with.

19. 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.



Justice of the Court of Queen's Bench of Alberta

Schedule "A"**Form of Receiver's Certificate**

COURT FILE NUMBER	1901-14615	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	ORPHAN WELL ASSOCIATION	
DEFENDANT	HOUSTON OIL AND GAS LTD.	
DOCUMENT	RECEIVER'S CERTIFICATE	

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Borden Ladner Gervais LLP 1900, 520 – 3 rd Avenue S.W. Calgary, AB T2P 0R3
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Attention: Jack R. Maslen
Telephone: (403) 232-9790
Email: jmaslen@blg.com

RECITALS

- A. Pursuant to an Order of the Honourable Justice K. Eidsvik of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated October 29, 2019, Hardie & Kelly Inc. (as now substituted with BDO Canada Limited pursuant to an Order of the Court dated June 30, 2020) was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of Houston Oil and Gas Ltd. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated October 8, 2020, the Court approved the agreement of purchase and sale made as of September 29, 2020 (the "**Sale Agreement**") between the Receiver and Canadian Natural Resources (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, 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 for the Purchased Assets; (ii) that the conditions to Closing as set out in section * of 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, capitalized terms 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 for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section * of 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 at **[Time]** on **[Date]**.

BDO CANADA LIMITED, in its capacity as Receiver of the undertakings, property and assets of Houston Oil and Gas Ltd., and not in its personal capacity.

Per; _____

Name: Marc Kelly

Title: Senior Vice President

SCHEDULE "B"**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, the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests as described in the attachments to this Schedule "B", but specifically excluding the Excluded Assets.

Lands and Petroleum and Natural Gas Rights

Lease	Lands	Vendor's WI	Encumbrances
<p>AB Crown 0493110015 (CNR MRA 180464/1) (Houston M01150A)</p>	<p>13-17-W4: NE36 PNG from base Mannville to base Arcs</p>	37.5%	AB Crown s/s Royalty
<p>AB Crown 124513A (ptn) (CNR MRA 170582/2) (Houston M00932)</p>	<p>14-16-W4: NE2 - PNG to Base of Basal Colorado SD excluding NG in Basal Colorado Formation and excluding NG in Bow Island 14-16-W4: E11 - PNG to Base of Basal Colorado SD excluding NG in Basal Colorado Formation</p>	50%	<p>AB Crown s/s Royalty; NCORR 1/100 (5-15%) on oil; 15% (min 1.5 cents/mcf) on Gas & 15% on other petroleum substances based on 100% of production paid by Houston 50%;</p> <p>2.5% NCORR based on 100% of production paid by Houston 50%;</p> <p>0.875% NCORR based on 50% of production paid by Houston 100%;</p> <p>0.875% NCORR based on 50% of production paid by Houston 100%.</p>
<p>AB Crown 124513A (ptn) (CNR MRA 170582/3 & 4) (Houston M00932 D & E)</p>	<p>14-16-W4: NE2, E11 – NG in Basal Colorado Formation (Unitized – Tract 2b (NE2) & Tract 12a (E11) of Enchant Gas Unit)</p>	50%	<p>AB Crown s/s Royalty; NCORR 1/100 (5-15%) on oil; 15% (min 1.5 cents/mcf) on Gas & 15% on other petroleum substances based on 100% of production paid by Houston 50%;</p> <p>2.5% NCORR based on 100% of production paid by Houston 50%;</p> <p>0.875% NCORR based on 50% of production paid by Houston 100%;</p>

			0.875% NCORR based on 50% of production paid by Houston 100%.
AB Crown 42927 (Houston M00929)	14-16-W4M: 7 – PNG to Base of Basal Colorado SD excluding NG in Basal Colorado Formation	60%	AB Crown s/s Royalty
AB Crown 42927 (Houston M00929 B)	14-16-W4: 7 – NG in Basal Colorado Formation (Unitized – Tract 8 of Enchant Gas Unit)	60%	AB Crown s/s Royalty
AB Crown 3054A (ptn) (CNR MRA 221896/3) (Houston M00930)	14-16-W4: 22 – PNG To Base of Basal Colorado SD excluding NG in Bow Island Formation and NG in Basal Colorado Formation	25%	Alberta Crown s/s Royalty; 1.50% NCORR based on 25% of production paid by Houston 100%; 1.50% NCORR based on 25% of production paid by Houston 100%.
AB Crown 3054A (ptn) (CNR MRA 221896/2) (Houston M00930 C)	14-16-W4: 22 – NG in Bow Island Formation and NG in Basal Colorado Formation (Unitized – Tract 22 of Enchant Gas Unit)	25%	Alberta Crown s/s Royalty; 1.50% NCORR based on 25% of production paid by Houston 100%; 1.50% NCORR based on 25% of production paid by Houston 100%.
AB Crown 3656B (CNR MRA 223713/2) (Houston M01027)	15-16-W4: N8 – PNG to Base of Mannville excluding NG in Glauconitic Formation	71.343%	Alberta Crown s/s Royalty; 3% NCORR based on 100% of production paid by Houston 71.343%.
AB Crown 3656B (CNR MRA 223713/1) (Houston M01027 B)	15-16-W4: N8 – NG in Glauconitic Formation (Unitized – Tract 31b of Enchant Gas Unit)	71.343%	Alberta Crown s/s Royalty 3% NCORR based on 100% of production paid by Houston 71.343%
AB Crown 3657B (CNR MRA 223714/2) (Houston M1029)	15-16-W4: 9 & 10 - PNG to Base of Mannville excluding NG in Glauconitic Formation	71.343%	Alberta Crown s/s Royalty; NCORR 1/150 (7.50-15%) on oil; 15% (min ¾ of one cent/mcf) on Gas based on 100% of production paid by Houston 71.343%.

AB Crown 3657B (CNR MRA 223714/1 (Houston M1029 C & D)	15-16-W4: 9 & 10 – NG in Glaucanitic Formation (Unitized – Tract 32 (Sec 9) and Tract 33 (Sec 10) of Enchant Gas Unit	71.343%	Alberta Crown s/s Royalty; NCORR 1/150 (7.50-15%) on oil; 15% (min ¾ of one cent/mcf) on Gas based on 100% of production paid by Houston 71.343%.
AB Crown 3657A (Houston M1028 A)	15-16-W4: 15 – NG in Glaucanitic Formation (Unitized – Tract 34 of Enchant Gas Unit)	100%	Alberta Crown s/s Royalty; NCORR 1/150 (7.50-15%) on oil; 15% (min ¾ of one cent/mcf) on Gas based on 100% of production paid by Houston 100%.
AB Crown 3656A (Houston M1026)	15-16-W4: 18 – PNG to Base of Mannville excluding NG in Glaucanitic Formation	100%	Alberta Crown s/s Royalty; 3% NCORR based on 100% of production paid by Houston 100%.
AB Crown 3656A (Houston M1026)	15-16-W4: 18 – NG in Glaucanitic Formation (Unitized – Tract 37 of Enchant Gas Unit)	100%	Alberta Crown s/s Royalty; 3% NCORR based on 100% of production paid by Houston 100%.
AB Crown 5494080087 (CNR MRA 156516/1 (Houston M01431 A)	61-24-W5: 2 PNG to base Bluesky- Bullhead	6.1833%	AB Crown s/s Royalty; GORR 3% fixed rate on 4.6375% production paid by Houston 100%.
AB Crown 0597100701 (CNR MRA 156515/1 (Houston M01433 A)	60-24-W5: 34 and 35 PNG to base Bluesky- Bullhead	8.7229%	AB Crown s/s Royalty; GORR 3% fixed rate on 4.6375% production paid by Houston 100%.
AB Crown 0597100701 (CNR MRA 156515/2 (Houston M01433 B)	60-24-W5: 36 PNG to base Bluesky- Bullhead	6.1833%	AB Crown s/s Royalty; GORR 3% fixed rate on 4.6375% production paid by Houston 100%;
AB Crown 5494090122 (CNR MRA 156517/1 (Houston M01432 C & F)	60-23-W5: SW30 PNG to base of Bluesky-Bullhead excluding NG in Bluesky- Bullhead; and 60-24-W5: 25 PNG to base Bluesky- Bullhead	6.1833%	AB Crown s/s Royalty; GORR 3% fixed rate on 4.6375% production paid by Houston 100%.

AB Crown 5494090122 (CNR MRA 156517/5) (Houston M01432 B)	60-23-W5: SE29 PNG to base Peace River Group	3.4008%	AB Crown s/s Royalty; GORR 3% fixed rate on 4.6375% production paid by Houston 100%.
AB Crown 5494090122 (MRA 156517/6) (Houston M01432 B)	60-23-W5:N&SW29 PNG to base Peace River Group	3.4008%	AB Crown s/s Royalty; GORR 3% fixed rate on 4.6375% production paid by Houston 100%.
AB Crown 5494090122 (CNR MRA 156517/7) (Houston M01432 E)	60-23-W5: SW30 NG in Bluesky-Bullhead	1.545825% (Pooled WI) 6.1833% (pre-pooled WI)	AB Crown s/s Royalty; GORR 3% fixed rate on 4.6375% production paid by Houston 100%.
AB Crown 5494090122 (CNR MRA 156517/8) (Houston M01432 D)	60-23-W5: N&SE28 PNG from base Dunvegan to base Peace River Group	4.6375% (Pooled WI) 6.1833% (pre-pooled WI)	AB Crown s/s Royalty; GORR 3% fixed rate on 4.6375% production paid by Houston 100%;
AB Crown 5494090122 (CNR MRA 156517/9) (Houston M01432 A)	60-23-W5: SE28 PNG from base Peace River Group to base Bluesky-Bullhead	6.1833%	AB Crown s/s Royalty; GORR 3% fixed rate on 4.6375% production paid by Houston 100%.
AB Crown 5494090122 CNR MR 156517/10) (Houston M01432 D)	60-23-W5: N&SE28 PNG to base Dunvegan	4.6375% (Pooled WI) 6.1833% (pre-pooled WI)	AB Crown s/s Royalty; GORR 3% fixed rate on 4.6375% production paid by Houston 100%.
AB Crown 5400010097 (CNR MRA 158266/1) (Houston M01434 A)	60-23-W5: N&SW29 NG in Bluesky-Bullhead	3.4008%	AB Crown s/s Royalty
AB Crown 5400010097 (CNR MRA 158266/2) (Houston M01434 B)	60-23-W5: N&SE30 NG in Bluesky-Bullhead	1.545825% (Pooled WI) 0% (pre-pooled WI)	AB Crown s/s Royalty

AB Crown 123991A (CNR MRA 164068/3) (Houston M01437 A)	60-23-W5: SW28 PNG from base Dunvegan to base Peace River Group	4.6375% (Pooled WI) 0% (pre-pooled WI)	AB Crown s/s Royalty
AB Crown 123991A (CNR MRA 164068/5) (Houston M01437 A)	60-23-W5: SW28 PNG to base Dunvegan	4.6375% (Pooled WI) 0% (pre-pooled WI)	AB Crown s/s Royalty
AB Crown 0505060159 (CNR MRA 167570/1) (Houston M01438 A)	60-23-W5: N&SE30 PNG to base Dunvegan	6.1833%	AB Crown s/s Royalty

Wells

UWI	Licensee	Licence
102163601317W400	Canadian Natural Resources Limited	0198733
103163601317W400	Canadian Natural Resources Limited	0291197
100022806023W500	Canadian Natural Resources Limited	0365255
100032806023W500	Canadian Natural Resources Limited	0362627
100032806023W502	Canadian Natural Resources Limited	0362627
100122806023W500	Canadian Natural Resources Limited	0336710
100122806023W502	Canadian Natural Resources Limited	0336710
100082906023W500	Canadian Natural Resources Limited	0360550
100082906023W502	Canadian Natural Resources Limited	0360550
100082906023W503	Canadian Natural Resources Limited	0360550
100102906023W500	Canadian Natural Resources Limited	0359957
100152906023W500	Repsol Oil & Gas Canada Inc.	0291175
100152906023W502	Repsol Oil & Gas Canada Inc.	0291175
100152906023W503	Repsol Oil & Gas Canada Inc.	0291175
100073006023W500	Canadian Natural Resources Limited	0365458
100103006023W500	Repsol Oil & Gas Canada Inc.	0398928
100123006023W500	Repsol Oil & Gas Canada Inc.	0326634
100123006023W502	Repsol Oil & Gas Canada Inc.	0326634
100153006023W500	Canadian Natural Resources Limited	0351798
100062506024W500	Canadian Natural Resources Limited	0302523

UWI	Licensee	Licence
100062506024W502	Canadian Natural Resources Limited	0302523
100112506024W500	Canadian Natural Resources Limited	0383430
100063406024W500	Canadian Natural Resources Limited	0381449
100063406024W502	Canadian Natural Resources Limited	0381449
100163406024W500	Canadian Natural Resources Limited	0323801
100163406024W502	Canadian Natural Resources Limited	0323801
100013506024W500	Canadian Natural Resources Limited	0341987
100013506024W502	Canadian Natural Resources Limited	0341987
100013506024W503	Canadian Natural Resources Limited	0341987
100033506024W500	Canadian Natural Resources Limited	0289685
100033506024W502	Canadian Natural Resources Limited	0289685
100023606024W500	Canadian Natural Resources Limited	0324292
100083606024W500	Canadian Natural Resources Limited	0365684
100083606024W502	Canadian Natural Resources Limited	0365684
100010206124W500	Canadian Natural Resources Limited	0386855
100010206124W502	Canadian Natural Resources Limited	0386855
100050206124W500	Canadian Natural Resources Limited	0290310
100130206124W500	Canadian Natural Resources Limited	0365634
100130206124W502	Canadian Natural Resources Limited	0365634
100100301416W400	Canadian Natural Resources Limited	0047977
100100701416W400	Canadian Natural Resources Limited	0060643
100110901416W400	Canadian Natural Resources Limited	0034922
100110901416W402	Canadian Natural Resources Limited	0034922
100101801416W400	Canadian Natural Resources Limited	0040661

UWI	Licensee	Licence
100111901416W400	Canadian Natural Resources Limited	0043931
100072001416W400	Canadian Natural Resources Limited	0035534
100102201416W400	Canadian Natural Resources Limited	0031198
100103101416W400	Canadian Natural Resources Limited	0030954
100063201416W400	Canadian Natural Resources Limited	0036148
100063201416W402	Canadian Natural Resources Limited	0036148
100072401417W400	Canadian Natural Resources Limited	0046059
102050501516W402	Canadian Natural Resources Limited	0362653
102050501516W403	Canadian Natural Resources Limited	0362653
100130501516W400	Canadian Natural Resources Limited	0165302
100070701516W400	Conocophillips Canada Resources Corp.	0031167
100070701516W402	Conocophillips Canada Resources Corp.	0031167
100110901516W400	Canadian Natural Resources Limited	0044625

Pipelines

Licence	Segment	From	To	Licensee
33643	1	1-1-14-14W4	3-6-14-16W4	Canadian Natural Resources Limited
7033	2	1-4-15-16W4	4-4-15-16W4	Canadian Natural Resources Limited
7033	4	6-32-14-16W4	10-20-14-16W4	Canadian Natural Resources Limited
7033	5	10-18-14-16W4	7-20-14-16W4	Canadian Natural Resources Limited
7033	6	10-3-14-16W4	11-9-14-16W4	Canadian Natural Resources Limited
7033	8	7-16-15-16W4	6-32-14-15W4	Canadian Natural Resources Limited
7033	9	11-9-15-16W4	10-9-15-16W4	Canadian Natural Resources Limited
7033	10	7-17-15-16W4	7-16-15-16W4	Canadian Natural Resources Limited
7033	13	7-7-15-16W4	7-17-15-16W4	Canadian Natural Resources Limited
7033	21	10-20-14-16W4	11-9-14-16W4	Canadian Natural Resources Limited
8017	1	10-31-14-16W4	8-31-14-16W4	Canadian Natural Resources Limited
8017	2	6-5-15-16W4	10-31-14-16W4	Canadian Natural Resources Limited
8017	3	13-5-15-16W4	6-5-15-16W4	Canadian Natural Resources Limited
8017	4	5-5-15-16W4	10-31-14-16W4	Canadian Natural Resources Limited
8017	5	8-31-14-16W4	6-32-14-16W4	Canadian Natural Resources Limited
12301	1	7-24-14-17W4	10-18-14-16W4	Canadian Natural Resources Limited
27127	1	11-9-14-19W4	3-16-14-16W4	Canadian Natural Resources Limited
27194	143	10-29-60-23W5	6-33-60-23W5	Repsol Oil & Gas Canada Inc.
27194	157	12-30-60-23W5	10-29-60-23W5	Repsol Oil & Gas Canada Inc.
39956	25	3-28-60-23W5	2-28-60-23W5	Canadian Natural Resources Limited
39956	19	7-29-60-23W5	3-28-60-23W5	Canadian Natural Resources Limited
39956	17	12-28-60-23W5	12-28-60-23W5	Canadian Natural Resources Limited
39956	20	7-29-60-23W5	8-29-60-23W5	Canadian Natural Resources Limited

Licence	Segment	From	To	Licensee
39956	18	9-29-60-23W5	10-29-60-23W5	Canadian Natural Resources Limited
39956	22	7-30-60-23W5	10-30-60-23W5	Canadian Natural Resources Limited
39956	15	15-30-60-23W5	10-30-60-23W5	Canadian Natural Resources Limited
39956	5	6-25-60-24W5	11-25-60-24W5	Canadian Natural Resources Limited
39956	28	11-25-60-24W5	11-25-60-24W5	Canadian Natural Resources Limited
39956	32	6-34-60-24W5	5-35-60-24W5	Canadian Natural Resources Limited
39956	8	16-34-60-24W5	16-34-60-24W5	Canadian Natural Resources Limited
39956	13	1-35-60-24W5	3-36-60-24W5	Canadian Natural Resources Limited
39956	2	3-35-60-24W5	7-29-60-23W5	Canadian Natural Resources Limited
39956	31	3-35-60-24W5	5-35-60-24W5	Canadian Natural Resources Limited
39956	3	5-2-61-24W5	3-35-60-24W5	Canadian Natural Resources Limited
39956	14	1-1-61-24W5	2-36-60-24W5	Canadian Natural Resources Limited
39956	24	3-36-60-24W5	11-25-60-24W5	Canadian Natural Resources Limited
39956	11	2-36-60-24W5	11-25-60-24W5	Canadian Natural Resources Limited
39956	21	8-36-60-24W5	10-36-60-24W5	Canadian Natural Resources Limited
39956	30	1-2-61-24W5	6-1-61-24W5	Canadian Natural Resources Limited
44685	8	2-28-60-23W5	3-28-60-23W5	Canadian Natural Resources Limited
44685	6	3-28-60-23W5	7-29-60-23W5	Canadian Natural Resources Limited
44685	4	12-28-60-23W5	12-28-60-23W5	Canadian Natural Resources Limited
44685	7	8-29-60-23W5	7-29-60-23W5	Canadian Natural Resources Limited
44685	5	10-29-60-23W5	9-29-60-23W5	Canadian Natural Resources Limited
44685	9	13-2-61-24W5	5-2-61-24W5	Canadian Natural Resources Limited
57660	1	10-22-14-16W4	7-22-14-16W4	Canadian Natural Resources Limited
57660	2	6-26-14-17W4	7-24-14-17W4	Canadian Natural Resources Limited

Facilities

Licence	Government Code	Type	Location	Licensee
n/a	ABBT0093577	Battery	2-28-60-23W5	Canadian Natural Resources Limited
F36753	n/a	Battery	3-28-60-23W5	Canadian Natural Resources Limited
n/a	ABBT0149025	Battery	3-28-60-23W5	Canadian Natural Resources Limited
F34301	n/a	Battery	12-28-60-23W5	Canadian Natural Resources Limited
n/a	ABBT0088734	Battery	12-28-60-23W5	Canadian Natural Resources Limited
F36886	n/a	Battery	8-29-60-23W5	Canadian Natural Resources Limited
n/a	ABBT0091987	Battery	8-29-60-23W5	Canadian Natural Resources Limited
n/a	ABBT0091436	Battery	10-29-60-23W5	Canadian Natural Resources Limited
F36160	n/a	Battery	12-30-60-23W5	Repsol Oil & Gas Canada Inc.
F30989	n/a	Battery	6-25-60-24W5	Canadian Natural Resources Limited
F32882	n/a	Battery	16-34-60-24W5	Canadian Natural Resources Limited
F36068	ABCS0036068	Compressor Station	1-35-60-24W5	Canadian Natural Resources Limited
F31102	n/a	Battery	3-35-60-24W5	Canadian Natural Resources Limited
F32881	n/a	Battery	2-36-60-24W5	Canadian Natural Resources Limited
F36975	n/a	Battery	8-36-60-24W5	Canadian Natural Resources Limited
n/a	ABBT0079101	Battery	5-2-61-24W5	Canadian Natural Resources Limited
F37485	n/a	Battery	13-2-61-24W5	Canadian Natural Resources Limited
n/a	ABGS0003102	Gas Gathering System	11-9-14-16W4	Unknown
F23638	ABCS0023638	Compressor Station	11-9-14-16W4	Canadian Natural Resources Limited
F23638	ABBT3360002	Battery	11-9-14-16W4	Canadian Natural Resources Limited
F1438	ABCS0001438	Compressor Station	07-20-14-16W4	Canadian Natural Resources Limited
F36882	n/a	Battery	9-29-60-23W5	Canadian Natural Resources Limited

SCHEDULE "C"

Claims

"Claim" means (with capitalized terms having the definitions given to them in the Sale Agreement) any claim, demand, lawsuit, proceeding or arbitration, or any investigation by a Governmental Authority, pertaining to the Assets, in each case whether asserted, threatened, pending or existing.

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, overriding royalties and other royalties, net profits interests and other burdens identified in the Title Documents or in Schedule "A";
- (ii) any Preferential Purchase Rights or any similar restriction applicable to any of the Assets;
- (iii) the terms and conditions of the Title Documents, including the requirement to pay any rentals or royalties (including reassessments) 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;
- (iv) the right reserved to or vested in any grantor, Governmental Authority by the terms of any Title Document or by Applicable Law to terminate any Title Document;
- (v) 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;
- (vi) and any obligations to Third Parties for any thirteenth month adjustments or for payments due as a result of any audits conducted by operators or Third Parties;
- (vii) taxes on Petroleum Substances or the income or revenue from the Petroleum Substances and requirements imposed by Applicable Law or Governmental Authorities concerning rates of production from the Wells or from operations on any of the Lands, or otherwise affecting recoverability of Petroleum Substances from the Lands, which taxes or requirements are generally applicable to the oil and gas industry in the jurisdiction in which the Assets are located;
- (viii) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are terminable on not more than 30 days' notice (without an early termination penalty or other like cost);
- (ix) any obligation of Houston to hold any right or interest in and to any of the Assets in trust for Third Parties;
- (x) the right reserved to or vested in any Governmental Authority to control or regulate any of the Assets in any manner, including any directives or notices received from any Governmental Authority pertaining to the Assets;
- (xi) 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 Houston's share of

the costs and expenses thereof which are not due or delinquent as of the date hereof or, if then due or delinquent are being contested in good faith by Vendor;

- (xii) 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;
- (xiii) agreements and plans relating to pooling or unitization of any of the Petroleum and Natural Gas Rights;
- (xiv) agreements respecting the operation of Wells or Facilities by contract field operators;
- (xv) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations; and
- (xvi) liens created in the ordinary course of business in favour of any Governmental Authority with respect to operations pertaining to any of the Assets.

SCHEDULE "E"

Crown Leases

Crown PNG Lease Nos.:

- 42927
- 3054A
- 3656B
- 3657B
- 3657A
- 3656A
- 5494080087
- 0597100701
- 0505060159