

COURT FILE NUMBER 1901-14615

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ORPHAN WELL ASSOCIATION

DEFENDANT HOUSTON OIL AND GAS LTD.

DOCUMENT **APPROVAL AND VESTING ORDER**  
(Sale by Receiver)



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

**Attention: Robyn Gurofsky**  
Telephone: (403) 232-9774  
Email: RGurofsky@blg.com

**DATE ON WHICH ORDER WAS PRONOUNCED: September 3, 2020**

**LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta**

**NAME OF JUSTICE WHO MADE THIS ORDER: Madam Justice B.E.C. Romaine**

**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 approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Bonavista Energy Corporation (the “**Purchaser**”) dated August 20, 2020, a redacted copy of which is appended to the Second Report of the Receiver dated August 24, 2020 and an unredacted copy of which is appended to the Confidential Supplement to the Second Report dated August 24, 2020 (collectively, the “**Report**”), 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 (the “**Purchased Assets**”);

**AND UPON HAVING READ** the Receivership Orders dated October 29, 2019 and June 30, 2020 (together, the “**Receivership Order**”), the Report and the Affidavit of Service of Jennifer Gorrie, filed; **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. 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 forming part of the Purchased Assets, if any, 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.

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 including Encumbrances but 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 Energy Regulator 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 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.
9. 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).

10. 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.
11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
12. 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).
13. 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**

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 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.

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.

A handwritten signature in blue ink, consisting of stylized initials and a long horizontal flourish extending to the right.

---

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	<b>RECEIVER'S CERTIFICATE</b>	

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

**Attention: Robyn Gurofsky**  
Telephone: (403) 232-9774  
Email: RGurofsky@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 September 3, 2020, the Court approved the agreement of purchase and sale made as of August 20, 2020 (the "**Sale Agreement**") between the Receiver and Bonavista Energy Corporation (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, described in the attachments to this Schedule “B”, but specifically excluding the Excluded Assets.

---

**Lands and Petroleum and Natural Gas Rights**

**HOUSTON OIL & GAS LTD.**

**Mineral Property Report**

**Generated by Ken Kleiner on June 18, 2020 at 9:27:23 pm.**

**Selection**

**Admin Company:**  
**Category:**  
**Country:**  
**Province:**  
**Division:**  
**Area(s):**  
**Active / Inactive:**  
**Status Types:**  
**Lease Types:**  
**Acreage Status:**  
**Expiry Period:**  
**Acreage Category:**

**Print Options**

**Acres / Hectares:** Hectares  
**Working Interest DOI:** Yes  
**Other DOI:** Reference  
**Related Contracts:** Yes **Related Units:** No  
**Royalty Information:** Yes **Expand:** Yes  
**Well Information:** Yes  
**Remarks:** No  
**Acreage:** Producing / Non Producing  
Developed / Undeveloped  
Proven / Unproven

**Sort Options**

**Division:** No  
**Category:** Yes  
**Province:** Yes



**HOUSTON OIL & GAS LTD.**

**Mineral Property Report**

**Generated by Ken Kleiner on June 18, 2020 at 9:27:23 pm.**

**Sort Options**

<b>Area:</b>	Yes
<b>Location:</b>	Yes



Report Date: Jun 18, 2020

Page Number: 1

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL

Province: ALBERTA

Area : KAYBOB

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held
M01454	PNG LEASCR	Eff: Dec 13, 1988	256.000	C00643 A No		WELL	WI TWP 58 RGE 18 W5M 36
Sub: A	WI	Exp: Dec 12, 1993	256.000	HOUSTON OIL		86.58000000	(EXCL NG IN COAL AND ONLY IN
ACTIVE	058812A538	Ext: 15	221.645	BELLATRIX EXPLO		12.65000000	PSU OF 15-36-58-18 W5)
	HOUSTON OIL			CHERYL RES		0.77000000	PNG TO BASE BLUESKY-BULLHEAD
100.00000000	ENERPLUS CORP			ALLARO RESOURCE		2.41000000	
				WIGHAM RESOURCE		1.37000000	

----- Related Contracts -----

C00639 A	FARMOUT	Dec 01, 2005
C00641 A	FARMOUT	Feb 15, 2006
C00641 B	FARMOUT	Feb 15, 2006
C00643 A	FARMOUT	Sep 01, 1993
PS0007 A	PUR/SALE	May 01, 2016

Total Rental: 896.00

Status	Prod:	Hectares	Net	NProd:	Hectares	Net
DEVELOPED	0.000	0.000	0.000	0.000	0.000	0.000
	Dev:	256.000	221.645	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

----- Well U.W.I. Status/Type -----

100/15-36-058-18-W5/00	FLOWING/GAS
100/15-36-058-18-W5/02	CASED/GAS

### Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00643 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	80.00000000 % of PROD
	Roy Percent: 15.00000000				
	Deduction: UNKNOWN				
	Gas: Royalty:	Min Pay:		Prod/Sales:	
	S/S OIL: Min:	Max:	Div:	Prod/Sales:	
	Other Percent:	Min:		Prod/Sales:	
	Paid to: ROYPDTO (C)	Paid by: ROYPDDBY (C)			
	PRAIRIESKY ROYA 75.00000000	HOUSTON OIL 100.00000000			
	FREEHOLD 25.00000000				

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00641 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	1.37000000 % of PROD
	Roy Percent:				
	Deduction: UNKNOWN				

Report Date: Jun 18, 2020

Page Number: 2

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL

Province: ALBERTA

Area : KAYBOB

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M01454	A	<b>Gas: Royalty:</b> 15.00000000		<b>Min Pay:</b>		<b>Prod/Sales:</b>
		<b>S/S OIL: Min:</b> 5.00000000	<b>Max:</b> 15.00000000	<b>Div:</b> 23.83650		<b>Prod/Sales:</b>
		<b>Other Percent:</b>		<b>Min:</b>		<b>Prod/Sales:</b>

<b>Paid to:</b> ROYPDTO (C)		<b>Paid by:</b> ROYPD BY (C)
WIGHAM RESOURCE	100.00000000	HOUSTON OIL
		100.00000000

**CAP ON DEDUCTIONS - Jul 16, 2014**

YES  
50% MAX

**Royalty / Encumbrances**

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00641 B	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	2.41000000 % of PROD

**Roy Percent:**

<b>Deduction:</b>	UNKNOWN
<b>Gas: Royalty:</b>	15.00000000
<b>S/S OIL: Min:</b>	5.00000000
<b>Other Percent:</b>	

<b>Min Pay:</b>		<b>Prod/Sales:</b>
<b>Max:</b> 15.00000000	<b>Div:</b> 23.83650	<b>Prod/Sales:</b>
	<b>Min:</b>	<b>Prod/Sales:</b>

<b>Paid to:</b> ROYPDTO (C)		<b>Paid by:</b> ROYPD BY (C)
ALLARO RESOURCE	100.00000000	HOUSTON OIL
		100.00000000

**CAP ON DEDUCTIONS - Jul 16, 2014**

YES  
50% MAX

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	82.80000000 % of PROD
<b>Roy Percent:</b>	5.00000000			



Report Date: Jun 18, 2020

Page Number: 3

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL

Province: ALBERTA

Area : KAYBOB

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M01454	A	<b>Deduction:</b> UNKNOWN					
		<b>Gas: Royalty:</b>		<b>Min Pay:</b>		<b>Prod/Sales:</b>	
		<b>S/S OIL: Min:</b>	<b>Max:</b>	<b>Div:</b>		<b>Prod/Sales:</b>	
		<b>Other Percent:</b>		<b>Min:</b>		<b>Prod/Sales:</b>	
		<b>Paid to:</b> PAIDTO (R)		<b>Paid by:</b> PAIDBY (R)			
		ENERPLUS CORP	100.00000000	HOUSTON OIL	100.00000000		

### Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
<b>Roy Percent:</b>				
<b>Deduction:</b> STANDARD				
<b>Gas: Royalty:</b>		<b>Min Pay:</b>		<b>Prod/Sales:</b>
<b>S/S OIL: Min:</b>	<b>Max:</b>	<b>Div:</b>		<b>Prod/Sales:</b>
<b>Other Percent:</b>		<b>Min:</b>		<b>Prod/Sales:</b>
<b>Paid to:</b> LESSOR (M)		<b>Paid by:</b> WELL (C)		
ABENERGY	100.00000000	HOUSTON OIL	86.58000000	
		BELLATRIX EXPLO	12.65000000	
		CHERYL RES	0.77000000	

M01450	PNG LEASECR	<b>Eff:</b> Feb 20, 1996	256.000	C00644 A No	WI	TWP 58 RGE 19 W5M 25
<b>Sub:</b> A	WI	<b>Exp:</b> Feb 19, 2001	256.000	HOUSTON OIL	27.75000000	(PSU OF 3-25-58-19 W5 WELL
ACTIVE	0596020594	<b>Ext:</b> 15	71.040	BONAVISTA ENERG	27.50000000	ONLY)
	CP CAN RES CORP			REPSOL CANADA	26.25000000	PNG TO BASE BLUESKY-BULLHEAD
100.00000000	CP CAN RES CORP			ENERPLUS CORP	18.50000000	EXCL CBM

Total Rental: 896.00

----- **Related Contracts** -----  
C00639 FARMOUT Dec 01, 2005

Report Date: Jun 18, 2020

Page Number: 4

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL

Province: ALBERTA

Area : KAYBOB

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M01450

Sub: A	Status	Hectares	Net	Hectares	Net	C00644 A	JOA	Jan 27, 1994
	DEVELOPED	0.000	0.000	0.000	0.000	PS0007 A	PUR/SALE	May 01, 2016
		256.000	71.040	0.000	0.000	----- Well U.W.I. Status/Type -----		
		0.000	0.000	0.000	0.000	100/03-25-058-19-W5/00 FLOWING/GAS		

### Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
<b>Roy Percent:</b>				
<b>Deduction:</b> STANDARD				
<b>Gas: Royalty:</b>		<b>Min Pay:</b>		<b>Prod/Sales:</b>
<b>S/S OIL: Min:</b>	<b>Max:</b>	<b>Div:</b>		<b>Prod/Sales:</b>
<b>Other Percent:</b>		<b>Min:</b>		<b>Prod/Sales:</b>
<b>Paid to:</b> LESSOR (M)		<b>Paid by:</b> WI (C)		
ABENERGY	100.00000000	HOUSTON OIL	27.75000000	
		BONAVISTA ENERG	27.50000000	
		REPSOL CANADA	26.25000000	
		ENERPLUS CORP	18.50000000	

Report Date: Jun 18, 2020

Page Number: 5

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL

Province: ALBERTA

Area : KAYBOB

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

<b>Area Total:</b>	<b>Total Gross:</b>	512.000	<b>Total Net:</b>	292.685			
	<b>Prod Gross:</b>	0.000	<b>Prod Net:</b>	0.000	<b>NProd Gross:</b>	0.000	<b>NProd Net:</b> 0.000
	<b>Dev Gross:</b>	512.000	<b>Dev Net:</b>	292.685	<b>Undev Gross :</b>	0.000	<b>Undev Net :</b> 0.000
	<b>Prov Gross:</b>	0.000	<b>Prov Net:</b>	0.000	<b>NProv Gross:</b>	0.000	<b>NProv Net:</b> 0.000

Report Date: Jun 18, 2020

Page Number: 6

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held
M01448	PNG LEAS	CR	64.000	C00642 A	No	WI	TWP 57 RGE 19 W5M SW 28
<b>Sub:</b> A	WI	<b>Eff:</b> Oct 12, 1978	64.000	HOUSTON OIL		33.33000000	(IN 100/06-28-057-19 W5M ONLY)
ACTIVE	0578100051	<b>Exp:</b> Oct 11, 1983	21.331	BONAVISTA ENERG		66.67000000	PNG TO BASE ROCK_CREEK
	HOUSTON OIL	<b>Ext:</b> 15		ENERPLUS CORP			
100.00000000	BONAVISTA ENERG	<b>Count Acreage =</b> No					

Total Rental: 0.00

Status	Prod:	Hectares	Net	NProd:	Hectares	Net
DEVELOPED	Dev:	0.000	0.000	Undev:	0.000	0.000
	Prov:	64.000	21.331	NProv:	0.000	0.000
		0.000	0.000		0.000	0.000

----- Related Contracts -----

C00639 B	FARMOUT	Dec 01, 2005
C00640 A	FARMOUT	Jan 18, 2006
C00642 A	JOA	Jun 17, 1978
C00663 A	TRUST	Mar 15, 2010
PS0007 A	PUR/SALE	May 01, 2016

----- Well U.W.I. Status/Type -----

100/06-28-057-19-W5/00	FLOWING/OIL
100/06-28-057-19-W5/02	COM/GAS
100/06-28-057-19-W5/03	COM/GAS

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00640 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	23.67000000 % of PROD

Roy Percent:

Deduction: UNKNOWN  
Gas: Royalty: 15.00000000  
S/S OIL: Min: 5.00000000  
Other Percent:

Min Pay: 15.00000000  
Max: 15.00000000  
Div: 23.83650  
Min:

Prod/Sales:  
Prod/Sales:  
Prod/Sales:

Paid to: ROYPDTO (C)  
PARAMOUNT RESOU 100.00000000

Paid by: ROYPD BY (C)  
HOUSTON OIL 100.00000000

CAP ON DEDUCTIONS - Jul 16, 2014

YES  
50%

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00639 B	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	9.66000000 % of PROD

Roy Percent:

Report Date: Jun 18, 2020

Page Number: 7

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M01448 A

**Deduction:** UNKNOWN  
**Gas: Royalty:** 15.00000000  
**S/S OIL: Min:** 5.00000000  
**Other Percent:**

**Min Pay:**  
**Prod/Sales:**

**Max:** 15.00000000 **Div:** 23.83650  
**Prod/Sales:**

**Min:**  
**Prod/Sales:**

**Paid to:** PAIDTO (R)  
ENERPLUS CORP 100.00000000

**Paid by:** PAIDBY (R)  
HOUSTON OIL 100.00000000

### Royalty / Encumbrances

**Royalty Type**      **Product Type**      **Sliding Scale**      **Convertible**      **% of Prod/Sales**

LESSOR OVERRIDING ROYALTY      ALL PRODUCTS      Y      N      100.00000000 % of PROD

**Roy Percent:**

**Deduction:** STANDARD

**Gas: Royalty:**  
**S/S OIL: Min:**      **Max:**  
**Other Percent:**

**Min Pay:**  
**Prod/Sales:**

**Div:**  
**Prod/Sales:**

**Min:**  
**Prod/Sales:**

**Paid to:** LESSOR (M)  
ABENERGY 100.00000000

**Paid by:** WI (C)  
HOUSTON OIL 33.33000000  
BONAVISTA ENERG 66.67000000  
ENERPLUS CORP

M01448 PNG LEASFCR      **Eff:** Oct 12, 1978      128.000      C00642 B No      BPEN      TWP 57 RGE 19 W5M N 28

**Sub:** B      WI      **Exp:** Oct 11, 1983      128.000      HOUSTON OIL      27.68000000      (IN 100/10-28-057-19W5/00 WELL

ACTIVE      0578100051      **Ext:** 15      35.430      BONAVISTA ENERG      72.32000000      ONLY)

HOUSTON OIL      ENERPLUS CORP      PNG TO BASE ROCK\_CREEK

100.00000000      BONAVISTA ENERG      **Count Acreage =** No

Total Rental: 896.00

----- **Related Contracts** -----  
C00640 A      FARMOUT      Jan 18, 2006

Report Date: Jun 18, 2020

Page Number: 8

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M01448

Sub: B	Status	Hectares	Net	Hectares	Net	PS0007 A	PUR/SALE	May 01, 2016
	DEVELOPED	0.000	0.000	0.000	0.000	C00642 B	JOA	Jun 17, 1978
		128.000	35.430	0.000	0.000			
		0.000	0.000	0.000	0.000			

----- Well U.W.I. Status/Type -----  
100/10-28-057-19-W5/00 FLOWING/OIL

### Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00640 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	23.67000000 % of PROD
	<b>Roy Percent:</b>				
	<b>Deduction:</b> UNKNOWN				
	<b>Gas: Royalty:</b> 15.00000000		<b>Min Pay:</b>		<b>Prod/Sales:</b>
	<b>S/S OIL: Min:</b> 5.00000000	<b>Max:</b> 15.00000000	<b>Div:</b> 23.83650		<b>Prod/Sales:</b>
	<b>Other Percent:</b>		<b>Min:</b>		<b>Prod/Sales:</b>
	<b>Paid to:</b> ROYPDTO (C)		<b>Paid by:</b> ROYPDBY (C)		
	PARAMOUNT RESOU 100.00000000		HOUSTON OIL 100.00000000		

### CAP ON DEDUCTIONS - Jul 16, 2014

YES  
50%

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
<b>Roy Percent:</b>				
<b>Deduction:</b> STANDARD				
<b>Gas: Royalty:</b>		<b>Min Pay:</b>		<b>Prod/Sales:</b>
<b>S/S OIL: Min:</b>	<b>Max:</b>	<b>Div:</b>		<b>Prod/Sales:</b>
<b>Other Percent:</b>		<b>Min:</b>		<b>Prod/Sales:</b>

Report Date: Jun 18, 2020

Page Number: 9

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

<b>Paid to:</b> LESSOR (M)	<b>Paid by:</b> BPEN (C)
ABENERGY 100.00000000	HOUSTON OIL 27.68000000
	BONAVISTA ENERG 72.32000000
	ENERPLUS CORP

M01448	PNG LEASCR	<b>Eff:</b> Oct 12, 1978	256.000	C00642 C No	WI	TWP 57 RGE 19 W5M SEC 28
<b>Sub:</b> C	WI	<b>Exp:</b> Oct 11, 1983	256.000	HOUSTON OIL	23.67000000	(EXCL 100/06-28-057-19W5M WELL)
ACTIVE	0578100051	<b>Ext:</b> 15	60.595	BONAVISTA ENERG	66.67000000	(EXCL 100/10-28-057-19W5/00 WELL)
	HOUSTON OIL			ENERPLUS CORP	9.66000000	
100.00000000	BONAVISTA ENERG					
		Total Rental:	0.00			PNG TO BASE ROCK_CREEK

Status	Prod:	Hectares	Net	NProd:	Hectares	Net	----- Related Contracts -----
DEVELOPED	Dev:	0.000	0.000	Undev:	0.000	0.000	C00640 A FARMOUT Jan 18, 2006
	Prov:	256.000	60.595	NProv:	0.000	0.000	C00642 C JOA Jun 17, 1978
		0.000	0.000		0.000	0.000	PS0007 A PUR/SALE May 01, 2016

### Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00640 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	23.67000000 % of PROD
	<b>Roy Percent:</b>				
	<b>Deduction:</b> UNKNOWN				
	<b>Gas: Royalty:</b> 15.00000000		<b>Min Pay:</b>		<b>Prod/Sales:</b>
	<b>S/S OIL: Min:</b> 5.00000000	<b>Max:</b> 15.00000000	<b>Div:</b> 23.83650		<b>Prod/Sales:</b>
	<b>Other Percent:</b>		<b>Min:</b>		<b>Prod/Sales:</b>

<b>Paid to:</b> ROYPDTO (C)	<b>Paid by:</b> ROYPDBy (C)
PARAMOUNT RESOU 100.00000000	HOUSTON OIL 100.00000000

----- Well U.W.I. Status/Type -----

100/12-28-057-19-W5/02 COM/GAS  
100/09-28-057-19-W5/00 CASD/GAS  
100/09-28-057-19-W5/02 FLOWING/GAS  
100/09-28-057-19-W5/03 CASD/GAS  
100/12-28-057-19-W5/00 FLOWING/GAS

Report Date: Jun 18, 2020

Page Number: 10

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M01448 C

### CAP ON DEDUCTIONS - Jul 16, 2014

YES

50%

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:

Deduction: STANDARD

Gas: Royalty:

S/S OIL: Min:

Other Percent:

Max:

Min Pay:

Div:

Min:

Prod/Sales:

Prod/Sales:

Prod/Sales:

Paid to: LESSOR (M)  
ABENERGY 100.00000000

Paid by: WI (C)  
HOUSTON OIL 23.67000000  
BONAVISTA ENERG 66.67000000  
ENERPLUS CORP 9.66000000

M01458	PNG LEASICR	Eff: May 25, 1959	256.000	C00649 A Yes	WI	TWP 057 RGE 19 W5M SEC 29
Sub: A	WI	Exp: May 24, 1980	256.000	HOUSTON OIL	81.39530000	PNG TO BASE ROCK_CREEK
ACTIVE	116569	Ext: 15	208.372	SINOPEC	18.60470000	

100.00000000 SINOPEC

Total Rental: 896.00

Status	Prod:	Hectares	Net	NProd:	Hectares	Net
DEVELOPED	Dev:	0.000	0.000	Undev:	0.000	0.000
	Prov:	256.000	208.372	NProv:	0.000	0.000
		0.000	0.000		0.000	0.000

### ----- Related Contracts -----

C00645 A	FARMOUT	Dec 18, 2006
C00649 A	JOA	Jul 01, 1993
C00649 B	JOA	Jul 01, 1993
C00649 D	JOA	Jul 01, 1993
C00657 A	FARMOUT	Nov 08, 1999
PS0007 A	PUR/SALE	May 01, 2016

### ----- Well U.W.I. Status/Type -----

100/09-29-057-19-W5/00 FLOWING/GAS  
100/09-29-057-19-W5/02 COM/GAS

Royalty / Encumbrances



Report Date: Jun 18, 2020

Page Number: 11

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales	
C00645 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	81.39530000 % of PROD	100/09-29-057-19-W5/03 COM/GAS
	<b>Roy Percent:</b>					
	<b>Deduction:</b> YES					
M01458	A	<b>Gas: Royalty:</b> 15.00000000	<b>Min Pay:</b>		<b>Prod/Sales:</b>	
		<b>S/S OIL: Min:</b> 5.00000000	<b>Max:</b> 15.00000000	<b>Div:</b> 23.83650	<b>Prod/Sales:</b>	
		<b>Other Percent:</b>	<b>Min:</b>		<b>Prod/Sales:</b>	
	<b>Paid to:</b> PAIDTO (R)		<b>Paid by:</b> WI (C)			
	PARAMOUNT RESOU 100.00000000		HOUSTON OIL 100.00000000			
	<b>ROYALTY DEDUCTIONS - Jul 16, 2014</b>					
	50.0000					
	<b>TAKE IN KIND - Jul 16, 2014</b>					
	YES					
	<b>ROFR (DO NOT USE) - Jul 16, 2014</b>					
	NO					

### Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales	
C00657 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	10.41660000 % of PROD	
	<b>Roy Percent:</b>					
	<b>Deduction:</b> NO					
	<b>Gas: Royalty:</b> 12.00000000	<b>Min Pay:</b>		<b>Prod/Sales:</b>		
	<b>S/S OIL: Min:</b> 5.00000000	<b>Max:</b> 12.00000000	<b>Div:</b> 24.00000	<b>Prod/Sales:</b>		
	<b>Other Percent:</b>	<b>Min:</b>		<b>Prod/Sales:</b>		
	<b>Paid to:</b> PAIDTO (R)		<b>Paid by:</b> PAIDBY (R)			
	FREEHOLD 100.00000000		HOUSTON OIL 81.39530000			
			SINOPEC 18.60470000			

Report Date: Jun 18, 2020

Page Number: 12

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M01458 A

**CAP ON DEDUCTIONS - Jul 16, 2014**  
NO DEDUCTIONS

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
<b>Roy Percent:</b>				
<b>Deduction:</b>	STANDARD			
<b>Gas: Royalty:</b>		<b>Min Pay:</b>		<b>Prod/Sales:</b>
<b>S/S OIL: Min:</b>	<b>Max:</b>	<b>Div:</b>		<b>Prod/Sales:</b>
<b>Other Percent:</b>		<b>Min:</b>		<b>Prod/Sales:</b>
<b>Paid to:</b> LESSOR (M)		<b>Paid by:</b> WI	(C)	
ABENERGY	100.00000000	HOUSTON OIL		81.39530000
		SINOPEC		18.60470000

M01458	PNG LEAS/CR	<b>Eff:</b> May 25, 1959	256.000	C00649 B	Yes	BPO	APO	TWP 057 RGE 19 W5M SEC 29
<b>Sub:</b> B	WI	<b>Exp:</b> May 24, 1980	256.000	HOUSTON OIL		100.00000000		(AS IT RELATES TO
ACTIVE	116569	<b>Ext:</b> 15	256.000	SINOPEC			18.60470000	100/04-29-057-19W5/00 ONLY)

100.00000000 SINOPEC

**Count Acreage =** No Total Rental: 0.00

Status	Prod:	Hectares	Net	NProd:	Hectares	Net
DEVELOPED	Dev:	256.000	256.000	Undev:	0.000	0.000
	Prov:	0.000	0.000	NProv:	0.000	0.000

----- **Related Contracts** -----

C00645 A	FARMOUT	Dec 18, 2006
C00649 B	JOA	Jul 01, 1993
C00657 A	FARMOUT	Nov 08, 1999
PS0007 A	PUR/SALE	May 01, 2016

----- **Well U.W.I.** **Status/Type** -----

100/04-29-057-19-W5/00 FLOWING/GAS

Royalty / Encumbrances

Report Date: Jun 18, 2020

Page Number: 13

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00645 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	81.39530000 % of PROD
	<b>Roy Percent:</b>				
	<b>Deduction:</b> YES				
M01458	B	<b>Gas: Royalty:</b> 15.00000000	<b>Min Pay:</b>		<b>Prod/Sales:</b>
		<b>S/S OIL: Min:</b> 5.00000000	<b>Max:</b> 15.00000000	<b>Div:</b> 23.83650	<b>Prod/Sales:</b>
		<b>Other Percent:</b>	<b>Min:</b>		<b>Prod/Sales:</b>
	<b>Paid to:</b> PAIDTO (R)		<b>Paid by:</b> WI (C)		
	PARAMOUNT RESOU 100.00000000		HOUSTON OIL 100.00000000		
	<b>ROYALTY DEDUCTIONS - Jul 16, 2014</b>				
	50.0000				
	<b>TAKE IN KIND - Jul 16, 2014</b>				
	YES				
	<b>ROFR (DO NOT USE) - Jul 16, 2014</b>				
	NO				

### Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00657 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	10.41660000 % of PROD
	<b>Roy Percent:</b>				
	<b>Deduction:</b> NO				
	<b>Gas: Royalty:</b> 12.00000000	<b>Min Pay:</b>			<b>Prod/Sales:</b>
	<b>S/S OIL: Min:</b> 5.00000000	<b>Max:</b> 12.00000000	<b>Div:</b> 24.00000		<b>Prod/Sales:</b>
	<b>Other Percent:</b>	<b>Min:</b>			<b>Prod/Sales:</b>
	<b>Paid to:</b> PAIDTO (R)		<b>Paid by:</b> PAIDBY (R)		
	FREEHOLD 100.00000000		HOUSTON OIL 81.39530000		
			SINOPEC 18.60470000		

Report Date: Jun 18, 2020

Page Number: 14

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M01458 B

**CAP ON DEDUCTIONS - Jul 16, 2014**  
NO DEDUCTIONS

<b>Royalty Type</b>	<b>Product Type</b>	<b>Sliding Scale</b>	<b>Convertible</b>	<b>% of Prod/Sales</b>
LESSOR OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
<b>Roy Percent:</b>				
<b>Deduction:</b>	STANDARD			
<b>Gas: Royalty:</b>		<b>Min Pay:</b>		<b>Prod/Sales:</b>
<b>S/S OIL: Min:</b>	<b>Max:</b>	<b>Div:</b>		<b>Prod/Sales:</b>
<b>Other Percent:</b>		<b>Min:</b>		<b>Prod/Sales:</b>

<b>Paid to:</b> DEPOSITO(M)		<b>Paid by:</b> BPO	(C)
ABENERGY	100.00000000	HOUSTON OIL	100.00000000
		SINOPEC	

M01458	PNG LEASICR	<b>Eff:</b> May 25, 1959	256.000	C00649	C Yes	BPEN	APEN	TWP 057 RGE 19 W5M SEC 29
<b>Sub:</b> C	WI	<b>Exp:</b> May 24, 1980	256.000	HOUSTON OIL		100.00000000	81.39530000	(AS IT RELATES TO
ACTIVE	116569	<b>Ext:</b> 15	256.000	SINOPEC			18.60470000	100/06-29-057-19W5/00 ONLY)

SINOPEC

100.00000000 SINOPEC **Count Acreage =** No **Total Rental:** 0.00

Status	Prod:	Hectares	Net	NProd:	Hectares	Net
DEVELOPED	Dev:	0.000	0.000	Undev:	0.000	0.000
	Prov:	256.000	256.000	NProv:	0.000	0.000
		0.000	0.000		0.000	0.000

----- **Related Contracts** -----

C00645 A	FARMOUT	Dec 18, 2006
C00649 C	JOA	Jul 01, 1993
C00657 B	FARMOUT	Nov 08, 1999
PS0007 A	PUR/SALE	May 01, 2016

----- **Well U.W.I.** **Status/Type** -----

100/06-29-057-19-W5/00 FLOWING/GAS

Royalty / Encumbrances

Report Date: Jun 18, 2020

Page Number: 15

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00645 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	81.39530000 % of PROD
	<b>Roy Percent:</b>				
	<b>Deduction:</b> YES				
M01458	C	<b>Gas: Royalty:</b> 15.00000000	<b>Min Pay:</b>		<b>Prod/Sales:</b>
	<b>S/S OIL: Min:</b> 5.00000000	<b>Max:</b> 15.00000000	<b>Div:</b> 23.83650		<b>Prod/Sales:</b>
	<b>Other Percent:</b>	<b>Min:</b>			<b>Prod/Sales:</b>
	<b>Paid to:</b> PAIDTO (R)	<b>Paid by:</b> WI (C)			
	PARAMOUNT RESOU 100.00000000	HOUSTON OIL 100.00000000			
	<b>ROYALTY DEDUCTIONS - Jul 16, 2014</b>				
	50.0000				
	<b>TAKE IN KIND - Jul 16, 2014</b>				
	YES				
	<b>ROFR (DO NOT USE) - Jul 16, 2014</b>				
	NO				

### Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C00657 B	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	10.41660000 % of PROD
	<b>Roy Percent:</b>				
	<b>Deduction:</b> NO				
	<b>Gas: Royalty:</b> 12.00000000	<b>Min Pay:</b>			<b>Prod/Sales:</b>
	<b>S/S OIL: Min:</b> 5.00000000	<b>Max:</b> 12.00000000	<b>Div:</b> 24.00000		<b>Prod/Sales:</b>
	<b>Other Percent:</b>	<b>Min:</b>			<b>Prod/Sales:</b>
	<b>Paid to:</b> PAIDTO (R)	<b>Paid by:</b> PAIDBY (R)			
	FREEHOLD 100.00000000	HOUSTON OIL 100.00000000			
		SINOPEC			

Report Date: Jun 18, 2020

Page Number: 16

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M01458 C

**ROYALTY DEDUCTIONS - Jul 16, 2014**

NO DEDUCTIONS

**GENERAL REMARKS - Nov 22, 2017**

SINOPEC IS IN 300% PENALTY FOR THE 6-29-57-19 WELL UNDER JOINT OPERATING AGREEMENT DATED JULY 1, 1993 (HOUSTON FILE NO. C00649C). AS A RESULT OF THIS PENALTY, SINOPEC SHOULD NOT HAVE TO PAY ANY OF THE ROYALTY BECAUSE THEY ARE NOT GETTING ANY REVENUE FROM THE WELL. THE ONLY PLACE TO SHOW THIS DOI WAS UNDER THIS ROYALTY SECTION EVEN THOUGH THE PENALTY COMES FROM THE JOA.

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
<b>Roy Percent:</b>				
<b>Deduction:</b>	STANDARD			
<b>Gas: Royalty:</b>		<b>Min Pay:</b>		<b>Prod/Sales:</b>
<b>S/S OIL: Min:</b>	<b>Max:</b>	<b>Div:</b>		<b>Prod/Sales:</b>
<b>Other Percent:</b>		<b>Min:</b>		<b>Prod/Sales:</b>
<b>Paid to:</b>	DEPOSITO(M)	<b>Paid by:</b>	BPEN (C)	
ABENERGY	100.00000000	HOUSTON OIL	100.00000000	
		SINOPEC		

M01458	PNG LEASFCR	<b>Eff:</b> May 25, 1959	256.000	C00649 D	Yes	BPO	APO	TWP 057 RGE 19 W5M SEC 29
<b>Sub:</b> D	WI	<b>Exp:</b> May 24, 1980	256.000	HOUSTON OIL		100.00000000	81.39530000	(AS IT RELATES TO
ACTIVE	116569	<b>Ext:</b> 15	256.000	SINOPEC			18.60470000	100/15-29-057-19W5/00 ONLY)
	SINOPEC							
100.00000000	SINOPEC	<b>Count Acreage =</b>	No	Total Rental:	0.00			

----- Related Contracts -----

C00649 D	JOA	Jul 01, 1993
C00657 A	FARMOUT	Nov 08, 1999

Status	Hectares	Net	Hectares	Net
--------	----------	-----	----------	-----

Report Date: Jun 18, 2020

Page Number: 17

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M01458

Sub: D

DEVELOPED	<b>Prod:</b>	0.000	0.000	<b>NProd:</b>	0.000	0.000
	<b>Dev:</b>	256.000	256.000	<b>Undev:</b>	0.000	0.000
	<b>Prov:</b>	0.000	0.000	<b>NProv:</b>	0.000	0.000

PS0007 A PUR/SALE May 01, 2016

----- Well U.W.I. Status/Type -----  
100/15-29-057-19-W5/00 CASED/GAS

### Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
<b>Roy Percent:</b>				
<b>Deduction:</b> STANDARD				
<b>Gas: Royalty:</b>		<b>Min Pay:</b>		<b>Prod/Sales:</b>
<b>S/S OIL: Min:</b>	<b>Max:</b>	<b>Div:</b>		<b>Prod/Sales:</b>
<b>Other Percent:</b>		<b>Min:</b>		<b>Prod/Sales:</b>
<b>Paid to:</b> DEPOSITO(M)		<b>Paid by:</b> BPO	(C)	
ABENERGY	100.00000000	HOUSTON OIL		100.00000000
		SINOPEC		

Report Date: Jun 18, 2020

Page Number: 18

\*\*REPORTED IN HECTARES\*\*

# HOUSTON OIL & GAS LTD. Mineral Property Report

Category: MINERAL  
Province: ALBERTA  
Area : PINE CREEK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code		
File Status	Int Type / Lse No/Name		Gross					
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held	
<b>Area Total:</b>		<b>Total Gross:</b>	512.000	<b>Total Net:</b>	268.967			
		<b>Prod Gross:</b>	0.000	<b>Prod Net:</b>	0.000	<b>NProd Gross:</b>	0.000	<b>NProd Net:</b> 0.000
		<b>Dev Gross:</b>	512.000	<b>Dev Net:</b>	268.967	<b>Undev Gross :</b>	0.000	<b>Undev Net :</b> 0.000
		<b>Prov Gross:</b>	0.000	<b>Prov Net:</b>	0.000	<b>NProv Gross:</b>	0.000	<b>NProv Net:</b> 0.000
<b>Province Total:</b>		<b>Total Gross:</b>	1,024.000	<b>Total Net:</b>	561.652			
		<b>Prod Gross:</b>	0.000	<b>Prod Net:</b>	0.000	<b>NProd Gross:</b>	0.000	<b>NProd Net:</b> 0.000
		<b>Dev Gross:</b>	1,024.000	<b>Dev Net:</b>	561.652	<b>Undev Gross :</b>	0.000	<b>Undev Net :</b> 0.000
		<b>Prov Gross:</b>	0.000	<b>Prov Net:</b>	0.000	<b>NProv Gross:</b>	0.000	<b>NProv Net:</b> 0.000
<b>Category Total:</b>		<b>Total Gross:</b>	1,024.000	<b>Total Net:</b>	561.652			
		<b>Prod Gross:</b>	0.000	<b>Prod Net:</b>	0.000	<b>NProd Gross:</b>	0.000	<b>NProd Net:</b> 0.000
		<b>Dev Gross:</b>	1,024.000	<b>Dev Net:</b>	561.652	<b>Undev Gross :</b>	0.000	<b>Undev Net :</b> 0.000
		<b>Prov Gross:</b>	0.000	<b>Prov Net:</b>	0.000	<b>NProv Gross:</b>	0.000	<b>NProv Net:</b> 0.000
<b>Report Total:</b>		<b>Total Gross:</b>	1,024.000	<b>Total Net:</b>	561.652			
		<b>Prod Gross:</b>	0.000	<b>Prod Net:</b>	0.000	<b>NProd Gross:</b>	0.000	<b>NProd Net:</b> 0.000
		<b>Dev Gross:</b>	1,024.000	<b>Dev Net:</b>	561.652	<b>Undev Gross :</b>	0.000	<b>Undev Net :</b> 0.000
		<b>Prov Gross:</b>	0.000	<b>Prov Net:</b>	0.000	<b>NProv Gross:</b>	0.000	<b>NProv Net:</b> 0.000

\*\* End of Report \*\*



**Wells and Facilities**

**Wells:**

<b>UWI</b>	<b>Surface Location</b>	<b>Licence No. Licensee</b>	<b>Vendor WI%</b>
100/06-28-057-19W5/00, 02, 03	100062805719W500	0353289 Bonavista	33.33%
100/09-28-057-19W5/00, 02, 03	100152805719W500	0398101 Bonavista	23.67%
100/10-28-057-19W5/0-2	100122805719W50	0424047 Bonavista	27.68%
100/12-28-057-19W5/0-2	100122805719W500	0377285 Bonavista	23.67%
100/04-29-057-19W5/0	100042805719W500	0423778 Houston	100% (BPO) 81.3953% (APO)
100/06-29-057-19W5/0	100062905719W500	0396954 Houston	100% (BPEN) 81.3953% (APEN)
100/09-29-057-19W5/0-2	100092905719W500	0377284 Houston	81.3953%
100/15-29-057-19W5/0	100152905719W500	0402121 Houston	100% (BPO) 81.3953% (APO)
100/15-36-058-18W5/2	100153605818W500	0354725 Houston	86.58%
100/03-25-058-19W5/0	100032505819W500	0350139 Bonavista	27.75%

**Facilities:**

License No	Location	Type	Licensee	Vendor – WI%
F41721	12-28-057-19W5	Gas Battery - Multiwell	Bonavista	Facility - 65.782% LP Inlet Sep – 61.495% HP Inlet Sep – 63.84% Dehy/Tanks – 67.598%
F40832	06-28-057-19W5	Gas Battery - Multiwell	Bonavista	33.33%

**Pipelines:**

License No. – Line Segment	From Location	From Type	To Location	To Type	Licensee	Vendor – WI%
48096-1	06-28-057-19W5	Well	07-28-057-19W5	Pipeline	Bonavista	33.33%
48096-2	07-28-057-19W5	Pipeline	12-28-057-19W5	Pipeline	Bonavista	33.33%
48096-6	15-28-057-19W5	Well	07-28-057-19W5	Pipeline	Bonavista	23.67%
53479-2	12-28-057-19W5	Well	12-28-057-19W5	Pipeline	Bonavista	27.68%
48096-8	04-28-057-19W5	Well	12-28-057-19W5	Pipeline	Houston Oil & Gas Ltd.	100.0%

48096-5	06-29-057-19W5	Well	09-29-057-19W5	Pipeline	Houston Oil & Gas Ltd.	100.0%
48096-3	09-29-057-19W5	Well	12-28-057-19W5	Pipeline	Houston Oil & Gas Ltd.	81.3953%
53715-1	12-28-057-19W5	Compressor station	03-03-058-19W5	Pipeline	Bonavista	67.598%
48102-1	15-36-058-18W5	Well	03-36-058-18W5	Pipeline	Houston Oil & Gas Ltd.	86.58%
47601-1	03-25-058-19W5	Well	06-25-058-19W5	Pipeline	Bonavista	27.75%

## **Schedule “C”**

### **Claims**

“**Claim**” means any claim, demand, lawsuit, proceeding or arbitration, or any investigation by a Governmental Authority, pertaining to the Assets (as defined in the Sale Agreement), 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 Schedule "A" and all overriding royalties and other royalties that are interests in land, net profit interest and other interests in land identified in the Title Documents;
- (ii) the Preferential Purchase Rights or any similar restriction applicable to any of the Assets that are interests in land;
- (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) 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;
- (vii) 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);
- (viii) any obligation of Houston to hold any right or interest in and to any of the Assets in trust for Third Parties which are identified in Schedule "A";
- (ix) 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;

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

however, the Permitted Encumbrances do not include taxes on linear property as defined in the *Municipal Government Act* (Alberta) that accrued prior to the Effective Date.