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[Rules 6.3 and  
10.52(1)]  
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CALGARY, ALBERTA

COURT FILE NUMBER 1501 - 11517  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

**IN THE MATTER OF THE RECEIVERSHIP OF  
GROUNDFORCE GEODRILLING SOLUTIONS  
INC.**

PLAINTIFF **HSBC BANK CANADA**  
DEFENDANT **GROUNDFORCE GEODRILLING SOLUTIONS  
INC.**  
DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

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**NOTICE TO RESPONDENT(S)**

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard, as shown below:

Date	November 19, 2015
Time	11:00 am
Where	Calgary Courts Center
Before Whom	The Honourable Mr. Justice A.D. Macleod

Go to the end of this document to see what else you can do and when you must do it.

**Remedy claimed or sought:** Deloitte Restructuring Inc. (the "**Receiver**"), in its capacity as the court-appointed receiver and manager of all of the current and future assets, undertakings, and properties (collectively, the "**Property**") of GroundForce GeoDrilling Solutions Inc. (the "**Debtor**"), pursuant to the Consent Receivership Order, issued by the Honourable Justice C.M. Jones on

October 2, 2015 (the "**Receivership Order**"), in the within proceedings (the "**Receivership Proceedings**"), applies for an order, substantially in the form attached as Schedule "**A**" hereto:

1. Declaring that the time for service of this application (the "**Application**") and the First Report of the Receiver, dated November 13, 2015 (the "**First Receiver's Report**"), filed, is abridged, if necessary, the Application is properly returnable on November 19, 2015, that service of the Application and the First Receiver's Report on the service list, is validated, good, and sufficient, and that no persons, other than those on the service list, are entitled to service of the Receiver's Report or the Application.
2. Approving the Receiver's actions, conduct, and activities, from the dated of the Receivership Order up to and including the date of the First Receiver's Report.
3. Approving the Maynards Industries Ltd. Auction Proposal, dated November 5, 2015 (the "**Maynards Proposal**"), attached as Appendix "D" to the Confidential Supplement to the First Report of the Receiver, dated November 13, 2015 (the "**Confidential Supplement**"), and directing and authorizing the Receiver, to execute and deliver to Maynards Industries Ltd. ("**Maynards**") any corresponding agreement or document and to take any and all such steps as the Receiver determines necessary or advisable to close any and all transactions, as contemplated by the Maynards Proposal.
4. Declaring that the security granted by the Debtor in favour of the HSBC Bank Canada ("**HSBC**") is valid and enforceable against the assets, properties, and undertakings of the Debtor.
5. Approving, authorizing, and empowering the Receiver to make distributions to HSBC up the amount of the indebtedness, liabilities, and obligations, owed by the Debtor to HSBC.
6. Sealing the Confidential Supplement, on the Court file, until the conclusion of the Receivership Proceedings.
7. Ordering and declaring that service of any order, arising from the Application, by email, facsimile, registered mail, courier, regular mail, or personal delivery to the persons listed on the service list shall constitute good and sufficient service of such orders and that no persons, other than those on the service list, are entitled to be served with a copy of such orders.
8. Such further and other relief as counsel for the Receiver may advise.

**Grounds for making this application:**

9. The Receiver was appointed as receiver and manager of the Property pursuant to the Receivership Order. Pursuant to the Receivership Order the Receiver is empowered and authorized to take possession of and exercise control over the Property and furthermore, the Receiver is empowered and authorized to sell the Property, with the approval of this Honourable Court.
10. Since the commencement of the Receivership Proceedings, the Receiver prepared an information summary and with the input and concurrence of HSBC has marketed the Property through a targeted a short term sales process (the "**Sales Process**") to gauge certain parties' interest in purchasing any portion of, or all of, the Property.
11. As a result of the Sales Process, the Receiver received various offers for: (i) the sale of all of the Property; (ii) the sale of a portion of the Property; and, (iii) the auction of the Property.
12. The Receiver, in consultation with HSBC, based on the Sales Process and the related discussions, auction proposals, and offers received, in conjunction with the current state of the oilfield services industry and the oil and gas market in general, recommends the acceptance and approval of the Maynards Proposal.
13. The Receiver has negotiated certain terms of the Maynards Proposal. The acceptance of the Maynards Proposal is conditional, *inter alia*, on the approval of this Honourable Court.
14. The Auctioned Property (as such term is defined in the Order, attached as Schedule "A" hereto), to be marketed, sold, and conveyed pursuant to the Maynards Proposal will be sufficiently exposed to the relevant market in a commercially reasonable and fair marketing process. The price to be paid for the Auctioned Property, being sold pursuant to the Maynards Proposal, will represent the highest and best price that can be obtained for the Auctioned Property in the circumstances and the Maynards Proposal, as proposed, is in the best interests of the estate of the Debtor and the stakeholders of the Debtor.
15. HSBC, as lender, advanced various secured loans to the Debtor.
16. The Receiver has obtained a legal opinion from its counsel that the security granted by the Debtor to HSBC is valid and enforceable and ranks in priority to the unsecured creditors of the Debtor and to any subsequently appointed trustee in bankruptcy.

17. The Receiver presently holds funds that are available for distribution to HSBC.

18. The Confidential Supplement to the First Receiver's Report contains certain information concerning the Property, the Sales Process and the offers received in connection therewith, the Maynards Proposal, and certain appraisal information relating thereto. The public disclosure and dissemination of the information in the Confidential Supplement would cause serious and irreparable harm to the estate of the Debtor and its stakeholders. The limited sealing provision that the Receiver seeks on the Application, in respect of the Confidential Supplement, is a fair and reasonable method of addressing the serious and irreparable harm that would result if the Confidential Supplement was publically disseminated.

19. Such further and other grounds as counsel for the Receiver may advise.

**Material or evidence to be relied on:**

20. The First Receiver's Report, filed.

21. The Confidential Supplement.

22. Such further and other material as counsel for the Receiver may advise and this Honourable Court may permit.

**Applicable Rules:**

23. Rule 6.3, 6.9, 6.28, and 11.27 of the Alberta Rules Of Court, Alta. Reg. 124/2010.

24. Such further and other rules as counsel for the Receiver may advise and this Honourable Court may permit.

**Applicable acts and regulations:**

25. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

26. Such further and other acts and regulations as counsel for the Receiver may advise or this Honourable Court may permit.

**Any irregularity complained of or objection relied on:**

27. There are no irregularities complained of or objections relied on.

**How the application is proposed to be heard or considered:**

28. The Receiver proposes that the Application be heard in person with one, some, or all of the parties present.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

## SCHEDULE "A"

COURT FILE NUMBER 1501 - 11517

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

**IN THE MATTER OF THE RECEIVERSHIP OF  
GROUNDFORCE GEODRILLING SOLUTIONS  
INC.**

PLAINTIFF **HSBC BANK CANADA**

DEFENDANT **GROUNDFORCE GEODRILLING SOLUTIONS  
INC.**

DOCUMENT **ORDER (Auction Approval and Distribution)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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DATE ON WHICH ORDER WAS PRONOUNCED: November 19, 2015

NAME OF JUDGE WHO MADE THIS ORDER: Justice A.D. Macleod

LOCATION OF HEARING: Calgary, Alberta

**UPON** the application of Deloitte Restructuring Inc., in its capacity as the court appointed receiver and manager (the "**Receiver**") of the assets, properties, and undertakings (collectively, the "**Property**") of GroundForce GeoDrilling Solutions Inc. (the "**Debtor**") pursuant to the Consent Receivership Order issued on October 2, 2015 (the "**Receivership Order**") in the within proceedings (the "**Receivership Proceedings**"); **AND UPON** having read the Application (as defined below) and the First Report of the Receiver, dated November 13, 2015 (the "**First Receiver's Report**"), filed; **AND UPON** having read the Confidential Supplement to the First Receiver's Report, dated November 13, 2015, (the "**Confidential Supplement**"); **AND UPON**

having read the Order, granted on November 16, 2015, abridging the time for service; **AND UPON** having read the Affidavit of Service of ●, sworn November ●, 2015 (the "**Service Affidavit**"); **AND UPON** hearing counsel for the Receiver and any other counsel present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

1. Service of the Notice of Application in respect of this Order (the "**Application**") and the First Receiver's Report is abridged, the Application is properly returnable today, service of the Application and the First Receiver's Report, in the manner described in the Service Affidavit, is good and sufficient, and no other persons are entitled to be served with or given notice of the Application or served with a copy of the First Receiver's Report.

**APPROVAL OF RECEIVER'S ACTIONS**

2. The actions, conduct, and activities of the Receiver, as outlined in the First Receiver's Report, are hereby approved.

**APPROVAL OF THE MAYNARDS PROPOSAL**

3. The Maynards Industries Ltd. Auction Proposal, dated November 5, 2015, attached as Appendix "D" to the Confidential Supplement (the "**Maynards Proposal**") is hereby approved and the Receiver, for and on behalf of the Debtor, is authorized and directed, to execute and deliver any corresponding agreement or document, to Maynards Industries Ltd. ("**Maynards**"), to conclude any and all transactions contemplated by the Maynards Proposal (collectively, the "**Maynards Proposal Transactions**"), and to take any and all such steps and execute all such deeds, documents, and instruments as may reasonably be necessary to consummate the Maynards Proposal Transactions contemplated by the Maynards Proposal or that arise as a result of the Maynards Proposal, substantially in accordance with the terms of the Maynards Proposals and the Confidential Supplement. The parties to the Maynards Proposal and any corresponding agreement, document, or instrument, may agree to any amendments to such agreements, documents, or instruments, which do not materially and adversely alter the Maynards Proposal Transactions or the Maynards Proposal.

4. The Maynards Proposal Transactions are hereby approved and ratified and it is hereby declared that the Maynards Proposal Transactions are commercially reasonable.

5. Maynards is hereby directed to account for and remit any and all net proceeds (the "**Net Proceeds**") derived from the auction or sale (collectively, the "**Auction Transactions**" the Auction Transactions and the Maynards Proposal Transactions are collectively referred to as, the "**Transactions**") of the Debtor's Property (the "**Auctioned Property**"), in accordance with the Maynards Proposal.
  
6. Upon the closing of the Auction Transactions, all of the Debtor's right, title, and interest in the Auctioned Property shall vest in the purchaser of such Auctioned Property, or its permitted nominee, free and clear from any and all Claims (as defined below) and any and all security interests, liens, and encumbrances in connection therewith, held by any Claimants (as defined below) whatsoever. The Net Proceeds, from the sale of the Auctioned Property, shall stand in the place and stead of the Auctioned Property upon the closing of the Auction Transactions and all applicable Claims and any encumbrances and interests in connection with the Auctioned Property, existing at the time of the sale of the Auctioned Property, shall attach to the Net Proceeds in the manner and priority as such Claims and related encumbrances had against the Auctioned Property, immediately prior to the sale of the Auctioned Property, as if the Auctioned Property had not been sold and remained in the possession and control of the person having had possession or control of the Auctioned Property immediately prior to the completion of the Auction Transactions.
  
7. The Receiver, for and on behalf of the Debtor, is expressly authorized and directed to take any and all steps and execute all such deeds, documents, and instruments, as may reasonably be necessary to consummate the Auction Transactions, including, but not limited to, the filing of any discharge of any registrations made in the Alberta or Saskatchewan Personal Property Registry in respect of the Auctioned Property.
  
8. The Transactions shall not be void or voidable at the instance of any or all persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or agents, trustees, executives, administrators or other legal representatives (the "**Claimants**"), including, for greater certainty and without limitation: (i) any Claimants or persons served (either directly or through their solicitors) with the Application; or (ii) the beneficiary of any Claims (as defined herein) created or provided for pursuant to any



previous Order in these proceedings including, without limitation, the Receivership Order; (iii) or who may have any security interest, claim, estate, security, right, title, interest and lien, including but not limited to, claims, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, encumbrances or other rights, limitations or restrictions of any nature whatsoever, against the Debtor or the Property, including without limitation any rights or interests of any of the stakeholders or creditors of the Debtor, whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, whether liquidated, unliquidated, or contingent (the “**Claims**”); and such Transactions shall not constitute nor shall be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, or other challengeable or reviewable transaction under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended, or any other applicable federal or provincial legislation, and the Transactions or any actions taken therewith, shall not constitute conduct meriting an oppression remedy.

## **DISTRIBUTION**

9. The security granted by the Debtor to HSBC Bank Canada (“**HSBC**”) represents a valid and enforceable charge against the assets, properties, and undertakings of the Debtor. The Receiver be and is expressly authorized and empowered to distribute any and all funds held by the Receiver to HSBC, in accordance with HSBC’s priority to any such funds, and the Receiver is hereby expressly authorized and empowered to continue to make ongoing distributions from the funds periodically held by the Receiver, on behalf of the Debtor, to HSBC, until all of the indebtedness, liabilities, and obligations owed by the Debtor to HSBC are indefeasibly paid in full.

## **SEALING**

10. Part 6, Division 4 of the Alberta Rules of Court does not apply to the Application and the Clerk of the Court is hereby directed to seal the Confidential Supplement, on the Court file, until the conclusion of the Receivership Proceedings and that the Confidential Supplement shall not be made publically accessible until such time. The Confidential Supplement shall be sealed and filed in an envelope containing the following endorsement thereon:

THIS ENVELOPE CONTAINS THE CONFIDENTIAL SUPPLEMENT  
TO THE FIRST REPORT OF THE RECEIVER, DATED

NOVEMBER 13, 2015. THE CONFIDENTIAL SUPPLEMENT TO THE FIRST REPORT OF THE RECEIVER IS SEALED PURSUANT TO AN ORDER ISSUED BY THE HONOURABLE JUSTICE A.D. MACLEOD, DATED NOVEMBER 19, 2015, AND IS NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICALLY ACCESSIBLE.

11. Any person may apply, on reasonable notice to the Debtor, the Receiver, and any other persons likely to be affected, to vary or amend the terms of paragraph 10 of this Order.
12. The Receiver is at liberty to reapply for further advice, assistance, and direction, as may be necessary to give full force and effect to the terms of this Order.
13. Service of this Order on the service list by email, facsimile, registered mail, courier, or personal delivery shall constitute good and sufficient service of this Order, and no persons other than those on the Service List are entitled to be served with a copy of this Order.

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**J.C.Q.B.A.**