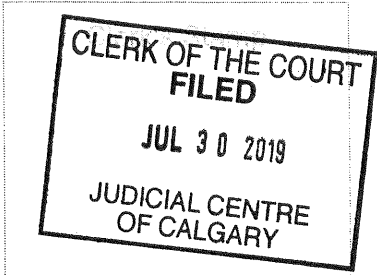


COURT FILE NUMBER 1901-08251
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT NATIONS FUND I, LLC
RESPONDENT BEARSTONE ENVIRONMENTAL SOLUTIONS INC.
DOCUMENT NOTICE OF APPLICATION
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 – 3rd Street SW
Calgary, AB T2P 5C5
Tel: 403-351-2921
Fax: 403-648-1151



File No. 43436-12

Attention: Jeffrey Oliver/Danielle Marechal

NOTICE TO RESPONDENTS:

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

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

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

Date: Tuesday, August 6, 2019

Time: 3:00 p.m.

Where: Calgary Law Courts

Before Whom: The Honourable Madam Justice B.E.C. Romaine

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

Remedy claimed or sought:

1. An Order substantially in the form of Schedule "A", attached hereto:

- (a) if necessary, abridging the time for service of this Application and supporting Reports (the "**Reports**") of KPMG Inc. ("**KPMG**") in its capacity as the proposed receiver and manager (in such capacity, the "**Proposed Receiver**") of the assets, properties and undertakings of Bearstone Environmental Solutions Inc. ("**Bearstone**") and declaring service to be good and sufficient; and
 - (b) sealing the First and Second Confidential Supplement to the Reports (collectively, the "**Confidential Supplements**").
2. Such further and other relief as this Honourable Court deems just.

Grounds for making this application:

Background

3. Pursuant to applications filed by Nations Fund I, LLC, ("**Nations**") returnable August 6, 2019, Nations is seeking (among other things) orders:
 - (a) appointing the Proposed Receiver as receiver and manager of the current and future assets, undertakings and properties of Bearstone; and
 - (b) approving the adoption and acceptance by KPMG in its capacity as receiver and manager, and not in its personal capacity, of the Amended and Restated Asset Purchase Agreement (the "**APA**") entered into between Bearstone (as vendor), Silverpoint Energy Services Inc. (as purchaser), New West Energy Services Inc. (as guarantor) and Nations (as lender).
4. In anticipation of the appointment of the Proposed Receiver as receiver and manager and the adoption and acceptance by the Proposed Receiver of the APA, the Proposed Receiver prepared the Reports and Confidential Supplements.

Sealing Order

5. The Confidential Supplements contain an appraisal outlining the liquidation value of the assets that are subject to the APA.
6. A sealing order directing the sealing of the Confidential Supplements is necessary due to the risk that the public disclosure of the contents of the appraisal contained therein may

prejudice a future sales process in the event that the transaction contemplated under the APA is not approved by this Honourable Court or does not close. There are no reasonable alternative measures, and the benefits of a sealing order would outweigh any negative effects on the interests of the public.

7. The Proposed Receiver is seeking the sealing of the Confidential Supplements until such time as the transaction contemplated by the APA has closed.

Material or evidence to be relied on:

8. Notice of Application to Appoint a Receiver filed July 12, 2019;
9. Notice of Application for Sale Approval and Vesting Order filed July 16, 2019;
10. Affidavit of Gerry Kerkhoff sworn July 11, 2019;
11. Affidavit of Mark Skura sworn July 12, 2019;
12. Proposed Receiver's Report dated July 17, 2019;
13. Confidential Supplemental Report to the Proposed Receiver's Report dated July 17, 2019;
14. Notice of Application for Sale and Vesting Order, dated July 29, 2019;
15. Second Report of the Proposed Receiver filed July 30, 2019;
16. Confidential Supplement to the Proposed Receiver's Second Report dated July 29, 2019; and
17. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

18. The *Alberta Rules of Court*, including Rules 1.2, 1.3, 1.4, 6.1, 6.2, and 6.3; and

Applicable Acts and regulations:

19. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (as amended);
20. *Judicature Act*, RSA 2000, c J-2; and
21. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

22. None.

How the application is proposed to be heard or considered:

23. In person.

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 time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

COURT FILE NUMBER	1901-08251	Clak's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
APPLICANT	NATIONS FUND I, LLC	
RESPONDENT	BEARSTONE ENVIRONMENTAL SOLUTIONS INC.	
DOCUMENT	SEALING ORDER	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Cassels Brock & Blackwell LLP Suite 3810, Bankers Hall West 888 3 rd Street SW Calgary, Alberta, T2P 5C5 Telephone 403-351-2921 Facsimile 403-648-1151 File No. 43436-12 Attention: Jeffrey Oliver/Danielle Marechal	

DATE ON WHICH ORDER WAS PRONOUNCED: Tuesday, August 6, 2019

LOCATION OF HEARING: Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Madam Justice B.E.C. Romaine

UPON THE APPLICATION of KPMG Inc. in its capacity as receiver and manager (in such capacity, the "**Receiver**") of the assets, properties and undertakings of Bearstone Environmental Solutions Inc. (the "**Debtor**") for, among other things, an order sealing the Confidential Supplemental Report to the Proposed Receiver's Report dated July 17, 2019 and the Confidential Supplement to the Proposed Receiver's Second Report dated July 29, 2019 (collectively, the "**Confidential Supplements**"); **AND UPON HAVING READ** the Receivership Order granted by the Honourable Madam Justice Romaine on August 6, 2019 (the "**Receivership Order**"), the Proposed Receiver's Report dated July 17, 2019, the Proposed Receiver's Second Report dated July 29, 2019, the Confidential Supplements, the Affidavit of Gerry Kerkhoff sworn July 11, 2019, the Affidavit of Mark Skura sworn July 12, 2019, the

Affidavits of Service of Richard Comstock, sworn July 22, 2019 and August 2, 2019; **AND UPON** hearing from counsel for the Receiver, and such other counsel as are present;

IT IS HEREBY ORDERED AND DECLARED THAT:

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

Sealing of Confidential Supplement

2. Division 4 Part 6 of the *Alberta Rules of Court* does not apply to this Application.
3. The Confidential Supplements submitted in the within proceedings shall, until the filing of a Receiver's certificate confirming that the transaction contemplated under an Amended and Restated Asset Purchaser Agreement dated July 23, 2019 between Bearstone Environmental Solutions Inc. (as vendor), Silverpoint Energy Services Inc. (as purchaser), New West Energy Services Inc. (as guarantor) and Nations Fund I, LLC (as lender) has been completed to the satisfaction of the Receiver, or until further order of this Honourable Court, be sealed and kept confidential, to be shown only to a Justice of the Court of Queen's Bench of Alberta, and accordingly, shall be filed with the Clerk of the Court who shall keep the Confidential Appendices in a sealed envelope, which shall clearly be marked "SEALED PURSUANT TO THE ORDER OF THE HON. MADAM JUSTICE B.E.C. ROMAINE DATED AUGUST 6, 2019".
4. Any party may apply to set aside paragraph 3 of this order upon providing the Receiver and all other interest parties with five (5) days notice of such application.
5. This Order must be served only upon those interested parties attending or present at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
6. Service of this Order on any party not attending this application is hereby dispensed with.

J.C.Q.B.A.