



COURT FILE NUMBER 1901-02578  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9

AND IN THE MATTER OF ELCANO EXPLORATION INC., ELCANO EXPLORATION LTD. and ELCANO ENERGY PARTNERSHIP

APPLICANT TORC OIL & GAS LTD.  
RESPONDENT HARDIE & KELLY INC., ELCANO EXPLORATION INC., ELCANO EXPLORATION LTD. and ELCANO ENERGY PARTNERSHIP  
DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
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File No. 72107-32

**NOTICE TO RESPONDENT: HARDIE & KELLY INC.**

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

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

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

DATE	<u>June 28, 2019</u>
TIME	<u>10:00 a.m.</u>
WHERE	<u>Calgary Courts Centre</u>
BEFORE WHOM	<u>The Presiding Justice in Chambers</u>

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

This Application is being made by TORC Oil & Gas Ltd. ("**TORC**" or the "**Applicant**").

**REMEDIES CLAIMED OR SOUGHT**

1. An Order declaring that TORC has a valid unsecured claim in the amount of \$124,661.07 as set out in TORC's Proof of Claim dated April 9, 2019 (the "**Proof of Claim**").
2. Costs of this Application.
3. Such other and further relief as this Honourable Court deems appropriate and just.

**GROUNDINGS FOR MAKING THIS APPLICATION**

4. TORC and Elcano Exploration Inc. are party to the Manson Area Emulsion and Water Handling Agreement effective January 1, 2019 (the "**Manson Area Agreement**"). Pursuant to the Manson Area Agreement, Elcano Exploration Inc. is indebted to TORC in the amount of \$124,661.07.
5. On April 9, 2019 TORC filed the Proof of Claim claiming \$124,517.93.
6. On May 21, 2019, Hardie & Kelly Inc. (the "**Monitor**") sent TORC a Notice of Revision or Disallowance, disallowing TORC's claim in its entirety.
7. On May 30, 2019, TORC filed a Notice of Dispute of Revision or Disallowance of Claim, rectifying the amount payable from Elcano to TORC as \$124,661.07.

**MATERIAL OR EVIDENCE TO BE RELIED ON**

8. The June 14, 2019 Affidavit of Marvin Tang.
9. The pleadings and proceedings in this Action.
10. Such further and other materials as counsel may advise and this Honourable Court may permit.

**Applicable Rules:**

11. Any Acts and Regulations as counsel may advise and this Honourable Court may permit.

**Applicable Acts and Regulations:**

12. None.

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

13. None

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

14. In person before the presiding Justice in Commercial List Chambers.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant 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.