COURT FILE NUMBER	24-3356741
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
	IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT,* R.S.C. 1985, C. B-3 AS AMENDED
	AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF ENDRUM ENERGY CORP.
APPLICANT	**ENDRUM ENERGY CORP.**
RESPONDENTS	**2672682 ALBERTA LTD., JAKE ENERGY INC., and BRAD PEAKE**
DOCUMENT	**BRIEF OF LAW OF THE RESPONDENTS**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	LAWSON LUNDELL LLP Barristers and Solicitors 1100, 225 – 6th Avenue SW Brookfield Place Calgary, AB T2P 1N2 Attention: Jennie A. Buchanan / Eloise Hirst Telephone: (403) 269-6900 Fax: (403) 269-9494 Email: jbuchanan@lawsonlundell.com ehirst@lawsonlundell.com File No.: 119661-195145

BANKRUPTCY AND INSOLVENCY
FILED
by Email
August 07, 2026
Edmonton
FAILLITE ET INSOLVABILITE
yc

Commercial List Chambers Application

Scheduled for the 12th day of August, 2026 at 11:00 am

Before the Honourable Justice M.A. Burns

Table of Contents

I. INTRODUCTION

1. 2672682 Alberta Ltd, (**267 Alberta**), Jake Energy Inc. (**Jake Energy**) and Brad Peake (**Mr. Peake** and, together with 267 Alberta and Jake Energy, the **Respondents**) provide this brief in response to an application by Endrum Energy Inc. (**Endrum**) seeking to compel 267 Alberta to give up control of three oil producing assets it purchased from and arms'-length party for good value and direct revenue from the sale of oil from those assets to a trust account controlled by Endrum's external counsel.

2. Despite Endrum's attempt to disguise the relief it's seeking as a prohibitory injunction and preservation order, there is no doubt that, in substance, the order Endrum seeks is a mandatory injunction that presumes 267 Alberta does not hold a valid interest in the assets. Endrum seeks this extraordinary relief more than four months after 267 Alberta acquired and began operating assets with Endrum's knowledge, without having commenced formal legal proceedings against the Respondents and without any clear evidence that 267 Alberta's continued control and operation of the assets will cause Endrum harm that cannot be remedied by damages or otherwise cured.

3. Endrum is unable to satisfy the legal test for an injunction, and its application must be denied.

II. FACTS

4. 267 Alberta is in the business of acquiring and producing oil and gas assets in Alberta. Jake Energy is 267 Alberta's financial operator, managing ongoing financial accounting for 267 Alberta's assets.[1]

5. Mr. Peake is a director of 267 Alberta and Jake Energy. He does not hold shares in either company. The sole shareholder and President of each of 276 Alberta and Jake Energy is Steven Oldale.[2]

A. 267 Alberta's acquisition and operation of the Disputed Assets

6. 267 Alberta acquired the following assets from 2770860 Alberta Inc. (**277 Alberta**) effective February 1, 2026 pursuant to an agreement dated February 1, 2026 (the **5-29 Agreement**)[3]:

   (a) Lease: Crown P&NG Lease 0477070007;

   (b) Lands and P&NG Rights: Twp 29 Rge 19 W4M: SW 29; and

   (c) Well: 5-29-29-19W4 (the **5-29 Well**)

   (collectively, the **5-29 Assets**).

[1] Affidavit of Steven Oldale sworn August 6, 2026 (**Oldale Affidavit**), paras 4-5.
[2] Oldale Affidavit, paras 3, 4 and 81.
[3] Oldale Affidavit, para 6 and Exhibit 1 (5-29 Agreement).

7. 276 Alberta acquired the following assets from 277 Alberta effective April 1, 2026 pursuant to an agreement dated March 31, 2026 (the **2-11 & 6-34 Agreement**)[4]:

   (a) the **2-11** Assets, comprised of

      (i) Lease: Crown P&NG Lease 040490070099;

      (ii) Lands and P&NG Rights: Twp 37 Rge 18 W4M: Sec 11; and

      (iii) Well: 2-11-37-18W4 (the **2-11 Well**); and

   (b) the **6-34 Assets**, comprised of

      (i) Lease: Crown P&NG Lease 040484010030;

      (ii) Lands and P&NG Rights: Twp 35 Rge 17 W4M: Sec 34; and

      (iii) Well: 6-34-35-17W4 (the **6-34 Well**)

   (the **5-29 Assets**, **2-11 Assets** and **6-34 Assets** are collectively referred to herein as the **Disputed Assets**).

8. 267 Alberta acquired the 5-29 Assets, the 2-11 Assets and the 6-34 Assets for valuable consideration, including:

   (a) 267 Alberta's agreement to assume all liabilities and obligations[5];

   (b) monetary consideration of $132,250 for the 5-29 Assets[6]; and

   (c) monetary consideration of $210,250 for the 2-11 Assets and the 6-34 Assets[7].

9. There is no relationship between 267 Alberta and 277 Alberta.[8]

10. Chain of title documentation that Stephen Hughes (**Mr. Hughes**), Endrum's former President, Chief Executive Officer and director, provided to 267 Alberta in connection with the above- noted transactions showed that Endrum had transferred the Disputed Assets to Prestige Worldwide Services Inc. (**Prestige**) effective September 1, 2024, and that Prestige transferred the Disputed Assets to 277 Alberta effective December 15, 2025.[9]

---

[4] Oldale Affidavit, para 7 and Exhibit 2 (2-11 & 6-34 Agreement).
[5] Oldale Affidavit, Exhibit 1 (5-29 Agreement, section 4); Oldale Affidavit, Exhibit 2 (2-11 & 6-34 Agreement, section 4).
[6] Oldale Affidavit, Exhibit 1 (5-29 Agreement, section 2).
[7] Oldale Affidavit, Exhibit 2 (2-11 & 6-34 Agreement, section 2).
[8] Oldale Affidavit, para 8.
[9] Oldale Affidavit, para 10, Exhibit 3 and Exhibit 4.

11. 267 Alberta began operating the 5-29 Assets at the beginning of February 2026 using the services of a contract operator. Endrum was aware that 267 Alberta had taken over operating the 5-29 Assets from the outset and one of Endrum's foreman communicated with Mr. Peake about this fact on February 25, 2026.[10]

12. In early-March 2026, Mr. Hughes contacted 267 Alberta to advise that Endrum had mistakenly shipped and sold oil from the 5-29 Assets in the February 2026 production month. On March 25, 2026, Endrum transferred Jake Energy $7,815.44 as payment for the oil produced and sold from the 5-29 Assets in the February 2026 production month.[11]

13. From the March 2026 production month forward, 267 Alberta operated the and produced oil from the 5-29 Assets without interference from anyone until late-May 2026 when, as described below, 267 Alberta learned that Endrum had taken and sold oil produced from the 5-29 Assets.[12]

14. When 267 Alberta acquired the 2-11 Assets and the 6-34 Assets, each of those assets were being operated by a contract operator. 267 Alberta contacted those contract operators following its acquisition of the 2-11 Assets and the 6-34 Assets and engaged them to continue providing contractor operator services. Jake Energy paid the contract operators' invoices for April 2026 and attempted to deliver payment for May 2026. However, neither contract operator has accepted payment.[13] 267 Alberta and Jake Energy believe that Endrum has been interfering with their relationships with those contract operators.[14]

15. Following 267 Alberta's acquisition of the Disputed Assets, 267 Alberta set itself up to sell oil from the Disputed Assets by (among other things), engaging a production accountant who updated the provincial registry for production accounting to reflect 267 Alberta's ownership of the Disputed Assets, engaging with the entities who receive and process oil for sale to make arrangements for those entities to receive and process oil produced from the Disputed Assets, and engaging a marketer to sell oil produced on 267 Alberta's behalf. These arrangements were in place by the May 2026 production month, at which time 267 Alberta began selling oil produced from the Disputed Assets. 267 Alberta has been doing so ever since.[15]

B. Missing Oil from the 5-29 Assets

16. In late-May 2026, nearly four months after 267 Alberta acquired and began operating the 2-59 Asserts, and approximately two months after Endrum paid 267 Alberta for oil it mistakenly produced from the 5-29 Assets in the February 2026 production month, 267 Alberta's contract operator for the 5-29 Assets reported that oil appeared to be missing from the tank at the 5-29 Well site and that tire tracks were visible in the soil.[16]

[10] Oldale Affidavit, para 14.
[11] Oldale Affidavit, paras 16-17.
[12] Oldale Affidavit, paras 44-46.
[13] Oldale Affidavit, paras 26-28.
[14] Oldale Affidavit, paras 26, 28.
[15] Oldale Affidavit, paras 31-33.
[16] Oldale Affidavit, para 44.

17. As neither Jake Energy nor 267 Alberta had hauled out oil from the 5-29 Assets or arranged for anyone to do so on their behalf, 267 Alberta filed a report with the RCMP.[17]

18. 267 Alberta subsequently learned that Endrum had taken oil from the 5-29 Assets and delivered it to a processing facility for processing and subsequent sale. 267 Alberta accordingly withdrew its report to the RCMP.[18]

19. Through the production accounting process, revenue from the sale of this oil was paid to 267 Alberta, net of royalties, which were paid directly to the Province.[19]

C. The 5-29 Pumpjack

20. On July 13, 2026, Mr. Peake attended the 5-29 Well site to address vegetation and water that had accumulated in a tank berm. When he arrived at the 5-29 Well site, he observed that the pumpjack was not rotating. Based on a preliminary visual inspection, Mr. Peake determined there was likely a problem with the electrical motor and that repairs were required. Mr. Peake padlocked the electrical box to secure the well pending repairs and noted his observations in the log sheet at the 5-29 Well site.[20]

21. Four days later, on July 17, 2026, Endrum's external counsel advised that Endrum would be seeking an injunction to prevent 267 Alberta, Jake Energy and Mr. Peake. Accordingly, 267 Alberta has not yet taken steps to engage an electrician to attend at the 5-29 Well site to investigate and make necessary repairs to the pumpjack. 267 Alberta and Jake Energy are, however, ready, willing and able to do so.[21]

D. Shipments from the Disputed Assets

22. After learning that Endrum intended to seek an injunction against the Respondents, the President of 267 Alberta and Jake Energy decided that the most prudent course of action was for 267 Alberta to refrain from shipping oil from the Disputed Assets. In contrast, on July 29, 2026, Endrum took approximately 15.2 m3 of oil produced from the 6-34 Assets and delivered that oil to a processing facility for processing and sale.[22]

---

[17] Oldale Affidavit, para 45; Third Affidavit of Norman Antonio Morales sworn on July 27, 2026 (**Third Morales Affidavit**) Exhibit T.

[18] Oldale Affidavit, para 46; Third Morales Affidavit, Exhibit T.

[19] Oldale Affidavit, para 56.

[20] Oldale Affidavit, para 38.

[21] Oldale Affidavit, paras 40-42.

[22] Oldale Affidavit, para 71.

III. ISSUES

23. This Application engages the following issues:

(a) *First, what is the true nature of the relief Endrum is seeking?*

Notwithstanding Endrum's attempt to characterize the order it seeks as a prohibitory injunction and preservation order, the substance of the relief Endrum seeks is a mandatory injunction.

(b) *Second, has Endrum satisfied the test for a mandatory injunction?*

The modified *RJR-MacDonald* test applies to applications for mandatory injunctions. Endrum is unable to meet any element of this test.

(c) *Third, to the extent that Endrum is in fact seeking a preservation order, has it satisfied the test for this relief?*

To be entitled to a preservation order, Endrum must establish a real and substantial risk of the dissipation or disposal of the Disputed Assets. There is no evidence of such risk.

IV. LAW & ARGUMENT

24. Despite Endrum's attempts to craft its proposed form of order in terms that purport to seek a prohibitory injunction and preservation order, Endrum is clearly seeking a mandatory injunction. Accordingly, the applicable test that Endrum must satisfy in this application is not the traditional three-part test that Endrum cites in its Brief of Law[23], but rather the modified *RJR-MacDonald*, which requires Endrum to prove:

(a) a strong *prima facie* case that it will succeed at trial.

(b) that irreparable harm will result if the relief is not granted; and

(c) that the balance of convenience favours granting the injunction.

25. Endrum cannot satisfy any of elements of this test. Endrum's application therefore must be dismissed.

A. Endrum is seeking a mandatory injunction

26. To determine Endrum's application, the Court must first resolve a threshold question to determine the legal test that Endrum must satisfy: what is the nature of the relief Endrum seeks?

[23] Brief of Law of the Applicants filed July 31, 2026 (**Endrum's Brief**) at para 36.

27. In substance, the overall effect of Endrum's proposed order would be to require 267 Alberta to hand over control of the Disputed Assets to Endrum, allow Endrum to produce and sell oil from the Disputed Assets, and authorize revenue from the sale of oil produced from the Disputed Assets to be directed to Endrum. The true nature of the order that Endrum seeks is a mandatory injunction and therefore the modified three-part *RJR-MacDonald* test applies.

28. Whether the injunction Endrum seeks is mandatory or prohibitive is not determined by the language of Endrum's proposed form of order or its supporting materials. Instead, this threshold question is determined by the substance of the relief Endrum is seeking:

> Ultimately, the application judge, in characterizing the interlocutory injunction as mandatory or prohibitive, will have to look past the form and the language in which the order sought is framed, in order to identify the substance of what is being sought and, in light of the particular circumstances of the matter, "what the practical consequences of the . . . injunction are likely to be". In short, the application judge should examine whether, in substance, the overall effect of the injunction would be to require the defendant to *do* something, or to *refrain from doing* something.[24] [*Emphasis in original*]

29. Identifying the factual and legal *status quo* is relevant to determining whether a proposed injunction is mandatory or prohibitive. In *ACCEL Canada Holdings Limited v Pembina Pipeline Corporation*[25], that applicant applied for an interim injunction enjoining and restraining the respondent from refusing to accept the applicant's monthly crude oil nominations, which it characterized as prohibitive. Justice Hollins assessed the legal and factual *status quo* and determined that applicant was in fact seeking a mandatory injunction:

> [24] As I am directed to do in *Canadian Broadcasting Corp., supra* at para.16, I therefore rely more heavily on the factual status quo and the anticipated effect of the relief sought than the parties' respective contractual interpretations.
>
> [25] Both parties agree that the test for determining whether the injunctive relief sought is mandatory versus prohibitive is one of substance over form. While the language of ACCEL's application is framed as prohibiting Pembina from doing something, the repeated use of the double negative suggests that what is sought is effectively the imposition of a positive obligation.
>
> [26] This is similar to the situation in *Loan Away Inc. v Western Life Assurance Company*, 2018 ONSC 7229, in which the plaintiff sought an injunction to prevent the defendant from terminating its contract with the plaintiff. Notwithstanding the framing of the relief sought as restraining the defendant from terminating an existing contract, the Court found that

---

[24] *R. v Canadian Broadcasting Corp.*, 2018 SCC 5 at para 16 [***Canadian Broadcasting***] [**Tab 1**].

[25] *ACCEL Canada Holdings Limited v Pembina Pipeline Corporation*, 2018 ABQB 1039 [***ACCEL***] [**Tab 2**].

> this would require the continued provision of services by the defendant until trial which was mandatory injunctive relief; paras.37-41.
>
> [27] I find that the injunctions sought here are mandatory injunctions, the effect of which would force Pembina to keep its Redwater Line open and to take ACCEL's oil at $0.42 per cubic metre. Stepping back from the contractual arguments, it is apparent that ACCEL wants this Court to force Pembina to provide its services to ACCEL. I also agree that Pembina should not be punished for its "without prejudice" agreement to take the October to December nominations pending this hearing by treating that arrangement as the status quo.[26]

30. Endrum's Notice of Application characterizes the relief Endrum seeks as "granting an interim injunction" against the Respondents "restraining and enjoining" them from engaging in certain conduct,[27] and "a preservation order" that (among other things) authorizes Endrum to operate protect and preserve the Disputed Assets and remit net revenues from the sale of oil from the Disputed Assets to its external legal counsel, Ogilvie LLP, in trust.[28]

31. Looking past the form and language of Endrum's proposed form of Order, the substance of the relief that Endrum seeks is clearly mandatory in nature: it will require 267 Alberta to undertake a positive course of action and would disrupt the *status quo*.

32. 267 Alberta has been operating the 5-29 Assets and producing oil from the 5-29 Assets since February 2026 with Endrum's knowledge and without inference from Endrum. In fact, as noted in paragraph 12 above, Endrum paid 267 Alberta for oil Endrum mistakenly sold from the 5-29 Assets in the February 2026 production month.[29] 267 Alberta has been operating and producing oil from the 2-11 Assets and the 6-34 Assets since April 2026.[30]

33. Since May 2026, Secure Waste Infrastructure Corp. (**Secure**) and Pine Cliff Energy (**Pine Cliff**), the entities 267 Alberta engaged to receive and process oil produced from the Disputed Assets, have been processing oil produced from the Disputed Assets for 267 Alberta's account, and the marketer that 267 Alberta engaged to sell oil produced from the Disputed Assets has been doing so on 267 Alberta's behalf.[31]

34. The order Endrum seeks thus would require 267 Alberta to allow Endrum to take over control of the field operation of the Disputed Assets, the production of oil from the Disputed Assets, the shipping of produced oil to processing facilities, and the sale of such oil.

---

[26] *ACCEL* at paras 24-27 [**Tab 2**].
[27] Notice of Application dated July 28, 2026 and filed July 31, 2026, para 1(b)(i) (**Notice of Application**).
[28] Notice of Application, para 1(b)(ii).
[29] Oldale Affidavit, para 68.
[30] Oldale Affidavit, paras 25 and 27.
[31] Oldale Affidavit, para 31.

35. Furthermore, although Endrum's proposed form of Order does not explicitly address control over revenue from sale of oil from the Disputed Assets, in order to give effect to paragraphs 1(b)(ii)(A) and (B) of Endrum's proposed form of Order, it will necessarily require 267 Alberta to take the following positive steps to redirect revenue from the sale of oil produced from the Disputed Asset away from itself to Endrum:

(a) cause 267 Alberta's production accountant to change the Petrinex information for the Disputed Assets;

(b) advise Secure and Pine Cliff that oil shipped from the Disputed Assets is being delivered for sale not to 267 Alberta's account, but to Endrum's account; and

(c) advise its marketer that any oil sold from the Disputed Assets is being sold not for 267 Alberta's account, but for Endrum's account.[32]

B. Endrum cannot satisfy the test for an injunction

36. Endrum is seeking a mandatory injunction. Accordingly, the modified *RJR-MacDonald* test applies, requiring Endrum to demonstrate:

(a) a strong *prima facie* case that it will succeed at trial.

(b) that irreparable harm will result if the relief is not granted; and

(c) that the balance of convenience favours granting the injunction.

37. Endrum is unable to satisfy any of the three branches of this test.

i. Strong Prima Facie Case

38. Because Endrum is seeking a mandatory injunction, the modified *RJR-MacDonald* test applies, the first branch of the test engages the more onerous of standard of strong *prima facie* case. That said, even on the less onerous standard of "serious issue to be tried", Endrum is unable to satisfy the first branch of the three-part test.

39. The Supreme Court of Canada has described "strong *prima facie* case" standard as follows:

> This brings me to just what is entailed by showing a "strong prima facie case". Courts have employed various formulations, requiring the applicant to establish a "strong and clear chance of success"; a "strong and clear" or "unusually strong and clear" case; that he or she is "clearly right" or "clearly in the right"; that he or she enjoys a "high probability" or "great likelihood of success"; a "high degree of assurance" of success; a "significant prospect" of success; or "almost certain" success. Common to all these formulations is a burden on the applicant to show a case of such merit that it is very likely to succeed at trial. Meaning, that upon a preliminary review of the case, the application judge must be satisfied that

---

[32] Oldale Affidavit, paras 34(a)-(c).

> there is a strong likelihood on the law and the evidence presented that, at trial, the applicant will be ultimately successful in proving the allegations set out in the originating notice.[33] [Footnotes omitted]

40. The less onerous standard of "serious issued to be tried" requires that the applicant to satisfy the Court that, on a preliminary assessment of the merits of the case, the application is not vexatious or frivolous.[34]

41. Here, Endrum has not filed any commencement documents articulating any causes of action against any of the Respondents. Endrum's decision to seek an injunction order against the Respondents without having advanced any formal claims limits the Respondents' ability mount a meaningful defence to this Application and to effectively argue the likelihood that Endrum will ultimately be successful in proving its allegations against the Respondents based on the law and the evidence presented at trial.

42. The same limitation would apply if Endrum were seeking a prohibitory injunction and to which the less onerous standard of "serious issue to be tried" applied. That standard requires the Court to make a preliminary assessment of the merits **of the case**.[35] Because Endrum has so far advanced no formal case against any of the Respondents, there is are no "merits of the case" to assess.

43. Based on Endrum's written submissions and the affidavits Endrum has filed in support of this Application, the Respondents understand that Endrum is considering commencing legal proceedings for a declaration that it owns the Disputed Assets, notwithstanding the evidence that Endrum transferred the Disputed Assets to Prestige in September 2024 pursuant to the Prestige Agreement.

44. Endrum appears to dispute the validity of the Prestige Agreement on two grounds, neither of which have any merit.

45. First, Endrum appears to dispute the validity of the Prestige Agreement on the basis that Mr. Hughes did not have authority to enter into that agreement on Endrum's behalf. However, the evidence demonstrates that, at the time Endrum entered into the Prestige Agreement, Mr. Hughes was Endrum's Chief Operating Officer and a member of Endrum's Board of Directors.[36]

46. Endrum's affiant states that he "had no knowledge of [the Prestige Agreement] at the time it was executed, and [] did not consent to the assignment of any of [Endrum's] interests to Prestige."[37] However, Endrum's affiant did not join Endrum's Board of Directors until April 2, 2026, more than 18 months after the Prestige Agreement,[38] and could not have

---

[33] *Canadian Broadcasting* at para 17 **[Tab 1]**.
[34] *RJR-MacDonald Inc. v Canada (Attorney General)*, 1994 CanLII 117 (SCC) [***RJR MacDonald***] at pp 337-338 [**Tab 3**].
[35] *RJR MacDonald* at p 337 [**Tab 3**].
[36] Oldale Affidavit, Exhibits 8, 9 and 10; Third Morales Affidavit, para 28.
[37] Third Morales Affidavit, para 27.
[38] Oldale Affidavit, Exhibits 8-9.

assumed the role of Endrum's Chief Executive Officer until after Mr. Hughes resigned from that office on March 25, 2026.[39]

47. Second, Endrum appears to dispute the validity of the Prestige Agreement on the basis that Brett Fizzell (**Mr. Fizzell**), the individual who signed the Prestige Agreement on Prestige's behalf, was not authorized to do so. Endrum's evidence on this point consists of a late-filed affidavit[40] exhibiting an email exchange between Endrum's external legal counsel and Stephanie St. Louis, Prestige's sole director and shareholder.[41] In that email, Ms. St. Louis indicates that, while she did not grant Mr. Fizzell signing authority on Prestige's behalf, Mr. Fizzell utilized Prestige throughout 2024 to perform independent contractor services for a third party. In other words, Endrum's evidence includes confirmation from Ms. St. Louis that she authorized Mr. Fizzell to enter into at least one contract with third party (the "soil testing company") on Prestige's behalf, demonstrating that Mr. Fizzell was authorized to enter into agreements on Prestige's behalf at or around the time that Mr. Fizzell signed the Prestige Agreement.

48. Endrum also appears to be considering advancing a claim that the transactions preceding 267 Alberta's acquisition of the Disputed Assets are voidable. Even if Endrum were to succeed in advancing such a claim (which the Respondents deny), Endrum's relief in respect of those transactions does not lie against 267 Alberta.

49. Section 98 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the ***BIA***) states as follows:

> **Recovering proceeds if transferred**
>
> 98 (1) If a person has acquired property of a bankrupt under a transaction that is void or voidable and set aside or, in the Province of Quebec, null or annullable and set aside, and has sold, disposed of, realized or collected the property or any part of it, the money or other proceeds, whether further disposed of or not, shall be deemed the property of the trustee.
>
> ...
>
> **Operation of section**
>
> (3) Notwithstanding subsection (1), where any person to whom the property has been sold or disposed of has paid or given therefor in good faith adequate valuable consideration, he is not subject to the operation of this section but the trustee's recourse shall be solely against the person entering into the transaction with the bankrupt for recovery of the consideration so paid or given or the value thereof.[42]

---

[39] Third Morales Affidavit, para 28.
[40] Affidavit of Firyal Hamdan sworn August 4, 2026 (**Hamdan Affidavit**).
[41] Hamdan Affidavit, Exhibit B.
[42] *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 at section 98 [**Tab 4**].

50. Similarly, the *Fraudulent Conveyances Act*, 13 Eliz 1, c 5 (UK) (***Statute of Elizabeth***) provides that no remedy lies against a *bona fide* purchaser who acquired an asset for good consideration, providing that the purchaser did not have knowledge of fraud or collusion.[43] As far as the Respondents are aware, Endrum has not advanced any claims of fraud or collusion against Mr. Hughes, Mr. Fizzell or Prestige. More importantly, Endrum has adduced no evidence that the Respondents had knowledge of any alleged fraud or collusion.

51. Finally, the *Fraudulent Preferences Act*, RSA 2000, c F-24 (the ***FPA***), provides that no transaction is voidable under the Act where the transaction was: (i) a bona fide sale or payment made in the ordinary course of trade or calling to innocent purchasers or parties; and (ii) the money paid or the goods or other property sold or delivered bear a fair and reasonable relative value to the consideration for it.[44]

52. 267 Alberta is *bona fide* purchaser of the Disputed Assets and gave good consideration to 277 Alberta for same. Even if Endrum were to advance a viable claim that the transaction in respect of the Disputed Assets as between Endrum and Prestige is voidable pursuant to the *BIA*, the *FPA*, or the *Statute of Elizabeth* (which Endrum has not done) Endrum would have no recourse against 267 Alberta as *bona fide* purchaser of the Disputed Assets.

53. It is not clear whether Endrum's allegations respecting Mr. Peake's position as an indirect shareholder in Endrum's predecessor is intended to signal that Endrum will seek to void the chain of transactions on the basis that Mr. Peake was "on both sides of these transactions."[45] To the extent that is Endrum's intention, the historical relationship of Mr. Peake to Endrum's predecessor, Westdrum Energy Ltd. (**Westdrum**), and his role as director of 267 Alberta and Jake Energy provides no evidence in support of that allegation.

54. The transaction pursuant to which Mr. Peake sold his shares in Westdrum to Endrum closed on January 31, 2024.[46] There is no evidence that Mr. Peake continued to be involved with Endrum after that sale closed. As such, there is no evidence to support an allegation that Mr. Peake was involved in the transaction pursuant to which Endrum transferred the Disputed Assets to Prestige.

55. On the "other side the transactions", there is no merit to Endrum's allegation that Mr. Peake had a personal interest in 267 Alberta's acquisition of the Disputed Assets from 277 Alberta. Mr. Peake is not a shareholder in 267 Alberta (or Jake Energy, for that matter) and has no other direct or indirect interest in the Disputed Assets.[47]

---

[43] *Fraudulent Conveyances Act*, 13 Eliz 1, c 5 (UK) [**Tab 5**].
[44] *Fraudulent Preferences Act*, RSA 2000, c F-24, section 6 [**Tab 6**].
[45] Third Morales Affidavit, paras 45 and 77(g). See also, Endrum's Brief, para 18(a).
[46] Oldale Affidavit, para 80; Third Morales Affidavit, Exhibit E.
[47] Oldale Affidavit, para 81.

ii. No Irreparable Harm to Endrum

56. Endrum has adduced no evidence that it will suffer irreparable harm if the injunction it seeks is not granted. Accordingly, Endrum is unable to satisfy the second branch of the *RJR-MacDonald* test and its application must fail.

57. At this branch of the test, the evidentiary burden is on the applicant to demonstrate, on a balance of probabilities, with clear, and not speculative, evidence, that it will suffer harm that cannot be quantified in monetary terms or cannot be cured.[48]

58. Endrum's apparent dispute with the Respondents comes down to two things: (1) who owns the Disputed Assets, and (2) who is entitled to revenue from the sale of oil produced from the Disputed Assets. Endrum has adduced no clear evidence that it will suffer "irreparable harm" if 267 Alberta continues to control and produce and sell oil from the Disputed Assets. Any harm that might be found to have suffered if Endrum's advances a successful claim that it owns the Disputed Assets (which the Respondents deny) can be cured through, among other possible remedies, a damages award or accounting of profits.[49]

59. Endrum argues that it is critical the Disputed Assets continue to be operated and that revenue continue to be generated from the Disputed Assets. 267 Alberta agrees. Endrum will not suffer any irreparable harm if 267 Alberta continues operating and producing oil and selling oil from the Disputed Assets.

60. Endrum's next argument is that the Respondents have caused damage to Endrum's relationship's with its key service providers, Secure and Pine Cliff. However, Endrum has adduced no clear evidence of risk that either service provider will "sever [its] relationship[] with Endrum entirely"[50] if 267 Alberta continues operating and producing oil and selling oil from the Disputed Assets.

61. The only evidence Endrum has adduced regarding Secure is a July 13, 2026 email from Secure's Associate General Counsel advising that it is "reviewing its contract going forward and may suspend services to both parties until we can be sure that our operating costs and fees are going to be reliably paid."[51] 267 Alberta has been paying Secure's costs and fees and intends to do so going forward.[52]

62. The only evidence Endrum has adduced regarding Pine Cliff is an undated text message from an unidentified sender relaying a conversation that another person had with an unnamed "Pinecliff foreman" in which the "Pinecliff foreman" purportedly stated that Pine Cliff would accept no oil from either Endrum or Jake Energy.[53] This text message does not provide clear evidence that Pine Cliff has threatened to sever its relationship with Endrum. If Pine Cliff had in fact threatened to sever its relationship with Endrum, it surely would

---

[48] *Questor Technology Inc v Stagg,* 2020 ABQB 3 at paras 92-93 [***Questor***] [**Tab 7**].
[49] See e.g., *Questor* at paras 110-111 [**Tab 7**].
[50] Endrum's Brief, para 51.
[51] Third Morales Affidavit, Exhibit AA.
[52] Oldale Affidavit, para 89.
[53] Third Morales Affidavit, Exhibit BB.

have delivered that message directly to Endrum in writing. The absence of any written communication from Pine Cliff to Endrum (either directly or to Endrum's legal counsel) belies Endrum's claim that Pine Cliff has threatened to sever its relationship with Endrum.

63. Endrum cites three cases in support of its argument that irreparable harm will occur if its application is not granted due to the need to continue operations and maintain Endrum's supply arrangements. These cases are of no application:

(a) The first case, *Medical Laboratory Consultants Inc v Calgary Health Region*[54], concerned a dispute between the health region and a medical laboratory service provider with whom the health region had contracted to exclusively provide laboratory services were for a fixed price. The health region sought to terminate the contract and the service provider sought an interlocutory injunction preventing it from doing so. The Court granted the injunction, noting that the effect would be to destroy the service provider's entire business: it would have to terminate its employees, vacate its premises, return equipment and would lose all relationships with its clients. These eventualities represented irreparable harm that could not be compensated by way of damages.[55]

The instant case is not comparable. Endrum cannot both assert that the revenue from the Disputed Assets is required to continue its operations and request that the revenue be paid into trust pending further order of this Court (presumably resolving the ownership dispute). Furthermore, should Endrum in future commence a claim to establish ownership of the Disputed Assets and ultimately succeed at trial (which the Respondents expressly deny), Endrum has adduced no evidence that a damages award or other remedy ordered after trial will be inadequate.

For example, even if Endrum had adduced evidence that either Secure or Pine Cliff were threatening to sever their relationship with Endrum (which evidence Endrum has not provided, as explained above), Endrum has adduced no evidence demonstrating that either service provider is fundamental to the operation of its business such that irreparable damage would occur if the service provider followed through on its threat to sever its relationship with Endrum.

(b) The second case, *C2 Recycling Inc v All West Demolition Ltd*[56], relates to a complex dispute between two parties respecting an Access and Operator Agreement, wherein the respondents sought to evict C2 Recycling Inc. and, in response, C2 Recycling Inc. sought an injunction preventing the eviction from going forward until the dispute between the parties could be resolved by the Court. The Court noted that a number of the damages that may arise as a result of the eviction could be compensable in damages, but that the disruption to C2 Recycling Inc.'s business could not: vacating the premises on a short time frame with no alternative site from

---

[54] *Medical Laboratory Consultants Inc v Calgary Health Region*, 2003 ABQB 995 [***Medical Laboratory***] **[Tab 8]**.
[55] *Medical Laboratory* at paras 35-36 and 43 **[Tab 8]**.
[56] *C2 Recycling Inc v All West Demolition Ltd*, 2022 CarswellAlta 3816 [***C2 Recycling***] **[Tab 9]**.

which to continue operating its business to continue was likely to result in C2 Recycling Inc. going out of business.[57]

The instant case is not analogous. 267 Alberta has been operating and producing and selling oil from the Disputed Assets for over four months with Endrum's knowledge and Endrum has adduced no evidence that it will go out of business if that continues.

(c) The third case, *Polesystems Inc v Martec Manufacturing Ltd,*[58] concerned an employee of Polesystems Inc. who was dismissed and had agreed not to disclose the company's proprietary information or remove any of its documents with trade secrets. Shortly following his dismissal, the employee set up a competing company and appeared to be using Polesystems Inc.'s confidential design and marketing materials. The Court had previously granted an injunction and Anton Pillar Order, and the defendant sought to vary or discharge a prior injunction permitting Polesystems Inc. to enter the defendant's premises and search for specific documents related to the action, and restraining the defendant from using Polesystems Inc.'s confidential data. The Court refused to vary or discharge the injunction in light of the fact that the defendant's use of Polesystem Inc.'s propriety information irretrievably impaired the core of its business.[59]

Once again, the instant case is not analogous. In *Polesystems*, there was no question about whether the materials that the defendant had taken belonged to the plaintiff. In contrast, the question of who the Disputed Assets belong to is the crux of the dispute between Endrum and 267 Alberta. Moreover, Endrum has no adduced evidence that it stands to lose customers or that its business will be permanently impaired if 267 Alberta continues to control and produce and sell oil from the Disputed Assets pending resolution of the ownership dispute.

64. Endrum's next argument is that 267 Alberta has jeopardized its regulatory standing.[60] This argument is premised on two allegations that are not supported by any evidence:

(a) First, Endrum alleges that 267 Alberta acquired a 100% working interest in two of the Disputed Assets without Endrum's knowledge and claims that this raises compliance concerns under section 16 of the *Oil and Gas Conservation Act*.[61] The evidence shows, however, that Endrum transferred its working interest in the Disputed Wells to Prestige in September 2024 pursuant to the Prestige Agreement. Any compliance concerns arising under section 16 of the *Oil and Gas Conservation Act* do not arise from 267 Alberta's acquisition of the Disputed Assets from 277

---

57 *C2 Recycling* at para 80 **[Tab 9]**.
58 *Polesystems Inc. v Martec Manufacturing Ltd.*, 1989 CanLII 3168 (ABQB) [***Polesystems***] **[Tab 10]**.
59 *Polesystems* at para 28 **[Tab 10]**.
60 Endrum Brief, paras 52-54.
61 Endrum Brief, paras 52.

Alberta. Moreover, the evidence shows that Endrum knew about 267 Alberta's acquisition of the Disputed Assets at the time of the acquisitions.[62]

(b) Second, there is no evidence that the Respondents shut-in the 5-29 Well. Contrarty to Endrum's allegation, padlocking the electrical box at the 5-29 Well did not suspend operation of the 5-29 Well. The 5-29 Well was not been producing because the pumpjack is not working.[63]

65. Endrum's final argument is that 267 Alberta caused Endrum reputational harm by filing the RCMP report in May 2026 after Endrum took oil produced from the 5-29 Well.[64] This argument is without merit.

66. The oil produced from the 5-29 Well that Endrum took in May 2026 was not "Endrum's own production." It was oil that 267 Alberta produced from the 5-29 Assets more than three months after acquiring the 5-29 Assets, during which period 267 Alberta had been continuously operating the 5-29 Assets with Endrum's knowledge and Endrum paid 267 Alberta for oil that Endrum mistakenly sold from the 5-29 Assets in the February 2026 production month.[65]

67. Endrum has not yet commenced any legal proceedings to formally advance a claim that oil produced from the Disputed Assets is "Endrum's own production" and the preponderance of evidence adduced to date does not demonstrate that any such claim (if advanced) is likely to succeed. In the circumstances, Endrum will suffer no reputational harm if 267 Alberta continues operating and producing oil and selling oil from the Disputed Assets.

iii. Balance of Convenience favours the Respondents

68. The third stage of the injunction test requires the Court is to consider "[w]hich party will suffer more, in relation to the other" if Endrum is unsuccessful in obtaining the order it seeks.[66] For the following reasons, the balance of convenience favours the Respondents.

69. First, 267 Alberta acquired the Disputed Assets from an arms'-length party for valuable consideration and has been operating and producing and selling oil from the Disputed Assets with Endrum's knowledge for more than four months. Requiring 267 Alberta to now hand over control of the Disputed Assets and revenue therefrom to Endrum will cause 267 Alberta to suffer greater harm that will maintaining the *status quo*.

70. Second, requiring 267 Alberta to hand over control of the Disputed Assets to Endrum will prevent 267 Alberta form establishing and fostering positive relationships with surface rights lessors and other stakeholders, thereby jeopardizing 267 Alberta's ability to

---

[62] Oldale Affidavit, paras 11-18.
[63] Oldale Affidavit, paras 35-38.
[64] Endrum Brief, para 57.
[65] Oldale Affidavit, paras 16-17.
[66] *ACCEL* at para 58 **[Tab 2]**.

successful operate the Disputed Assets in the future once the ownership dispute is resolved.[67]

71. Endrum argues that the balance of convenience favours it because the Respondents' conduct constitutes a breach of the stay of proceedings under section 69(1) of the *BIA*.[68] Endrum's argument is without merit for the following reasons.

72. First, Endrum argues that the stay of proceedings imposed by section 69(1) of the *BIA*, which stays proceedings against a debtor by its creditors, applies to the Respondents.[69] Endrum is mistaken. The Respondents are not creditors of Endrum and are "strangers" to Endrum's insolvency proceedings. The dispute between Endrum and the Respondents relates wholly to property and civil rights within the province of Alberta, and not to Endrum's NOI proceedings.[70]

73. Endrum cites *Blade Energy Services Corp (Re)* (***Blade Energy***),[71] in support of its assertion that the Respondents have violated the stay of proceedings. In that case, the insolvent entity, Razor Energy Corp., owned interests in wells in the South Swan Hills area, and Conifer Energy Inc. was the operator of those wells.[72] A dispute arose respecting non-payment of the operator's processing charges and capital costs and the operator locked Razor Energy Corp. out of the wells.[73] Shortly after, Razor Energy Corp. filed a notice of intention to make a proposal, following which, the operator continued the lockout. The operator in this instance had admitted that the lockout was an enforcement step.[74] The Court determined that the continued lockout constituted a violation of stay of proceedings under section 69(1) of the *BIA*.[75]

74. Even if one or more of the Respondents were creditors of Endrum (which each of them expressly deny), and leaving aside the fact that the Respondents have not shut-in the 5-29 Well as Endrum alleges, there is no analogy to the conduct at issue in *Blade Energy* because:

(a) the Respondents do not agree that Endrum has any ownership interest in the 5-29 Well;

(b) the Respondents do not claim that Endrum owes them money;

(c) the padlock was installed on the 5-29 Well electrical box to secure the 5-29 Well pending repairs, not as an enforcement step to recuperate money that they say Endrum owes to them; and

---

[67] Oldale Affidaivt, para 98(b).
[68] Endrum Brief, paras 61-65.
[69] Endrum Brief at para 61.
[70] *Sam Lévy & Associés Inc. v Azco Mining Inc.*, 2001 SCC 92 at para 39 [**Tab 11**].
[71] *Blade Energy Services Corp (Re)*, 2024 ABKB 100 [***Blade Energy***] [**Tab 12**]
[72] *Blade Energy* at para 5 **[Tab 12]**.
[73] *Blade Energy* at paras 7-8 **[Tab 12]**.
[74] *Blade Energy* at para 23 **[Tab 12]**.
[75] *Blade Energy* at paras 67-69 **[Tab 12]**.

(d) the Respondents are not creditors of Endrum and the stay of proceedings under section 69(1) of the *BIA* does not apply to them as it did to the operator in *Blade Energy*.

C. Endrum is not entitled to a preservation order

75. As noted above, Endrum's Notice of Application and proposed form of Order characterize some of the relief it seeks as a "preservation order". Curiously, however, Endrum has not cited Rule 6.25 of the *Rules of Court* from which this Court derives its authority to make a preservation order[76] nor has Endrum given an undertaking for damages, which an applicant for a preservation order is required to do.[77] Nevertheless, if this Honourable Court is satisfied Endrum is in fact seeking a preservation order and not a mandatory injunction, Endrum cannot satisfy the test for such extraordinary relief.

76. The following principles emerge from the case law on applications for preservation orders:

(a) Judicial restraint must be exercised when deciding, first, whether to grant a preservation order and, second, the appropriate scope of the order.[78]

(b) An applicant for a preservation order must satisfy each of the three requirements of the *RJR-MacDonald* test.[79]

(c) The purpose of a preservation order is to preserve disputed property until trial to ensure that the property will be available to be returned to the plaintiff if successful at trial.[80]

(d) To be entitled to a preservation order, the Plaintiff must establish a *prima-facie* case and a real and substantial risk of the dissipation or disposal of assets.[81]

77. Here, Endrum has not commenced any legal proceedings respecting the disputed assets. As such, there is technically no property in dispute to be preserved.[82]

78. In any event, Endrum is unable to satisfy the test for a preservation order.

79. First, Endrum has adduced no evidence that there is any risk of dissipation or disposal of the Disputed Assets.

80. Second, as explained in paragraphs 38 to 74 above, Endrum is unable to satisfy any of the three requirements of the *RJR-MacDonald* test.

---

[76] *Athabasca Minerals Inc. v Syncrude Canada Ltd.*, 2017 ABQB 47 at para 62 [***Athabasca***] [**Tab 13**].
[77] *Hoff v Gerk*, 1999 ABQB 744 at para 58 [***Hoff***] [**Tab 14**]. See also *Holmes v Holmes*, 2023 ABKB 1 at para 49 [***Holmes***] [**Tab 15**].
[78] *Athabasca* at para 62 [**Tab 13**].
[79] *Athabasca* at para 76 [**Tab 13**].
[80] *Questor Technology Inc v Stagg*, 2021 ABQB 644 at para 36 **[Tab 16]**.
[81] *Hoff* at para 58 [**Tab 14**]. See also *Holmes* at para 49 [**Tab 15**].
[82] See *Holmes* at para 51 [**Tab 15**].

V. RELIEF SOUGHT

81. The Respondents respectfully seek an Order:

    (a) Dismissing Endrum's Application;

    (b) Awarding costs of Endrum's Application to the Respondents; and

    (c) Such further and other relief as this Honourable Court deems just and appropriate in the circumstances.

RESPECTFULLY SUBMITTED: August 6, 2026

Lawson Lundell LLP

Per: Jennie A. Buchanan / Eloise Hirst
Counsel to the Respondents

VI. LIST OF AUTHORITIES

Tab 1	*R. v Canadian Broadcasting Corp.*, 2018 SCC 5
Tab 2	*ACCEL Canada Holdings Limited v Pembina Pipeline Corporation*, 2018 ABQB 1039
Tab 3	*RJR-MacDonald Inc. v Canada (Attorney General)*, 1994 CanLII 117 (SCC)
Tab 4	*Bankruptcy and Insolvency Act*, RSC 1985, c B-3
Tab 5	*Fraudulent Conveyances Act*, 13 Eliz 1, c 5 (UK)
Tab 6	*Fraudulent Preferences Act*, RSA 2000, c F-24
Tab 7	*Questor Technology Inc v Stagg,* 2020 ABQB 3
Tab 8	*Medical Laboratory Consultants Inc v Calgary Health Region*, 2003 ABQB 995
Tab 9	*C2 Recycling Inc v All West Demolition Ltd*, 2022 CarswellAlta 3816
Tab 10	*Polesystems Inc. v Martec Manufacturing Ltd.*, 1989 CanLII 3168 (ABQB)
Tab 11	*Sam Lévy & Associés Inc. v Azco Mining Inc.*, 2001 SCC 92
Tab 12	*Blade Energy Services Corp (Re)*, 2024 ABKB 100
Tab 13	*Athabasca Minerals Inc. v Syncrude Canada Ltd.*, 2017 ABQB 47
Tab 14	*Hoff v Gerk*, 1999 ABQB 744
Tab 15	*Holmes v Holmes*, 2023 ABKB 1
Tab 16	*Questor Technology Inc v Stagg*, 2021 ABQB 644