

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.

Clerk's Stamp

DOCUMENT **AFFIDAVIT OF JOHN MCMAHON**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

OGILVIE LLP
Barristers & Solicitors
2800 Stantec Tower
10220 103 Avenue NW
Edmonton, AB T5J 0K4

Attention: **Susy Trace / Leah Macklin**
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Fax: 780.429.4453
Email: Strace@ogilvIELaw.com
Lmacklin@ogilvIELaw.com
File No.: 71423.4

I, John McMahon, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am the president of Endrum Energy Corp. (the "**Company**" or "**Endrum**"), and as such, I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be based on information and belief, and where so stated, I believe the same to be true.
2. I swear this Affidavit in support of the Company's Application for:
 - (a) an interim injunction (the "**Injunction Application**") against Jake Energy Inc., 2672682 Alberta Ltd. and Brad Peake (collectively, the "**Respondents**"), restraining and enjoining the Respondents, and each of them, from:
 - (i) attending or accessing the lands and well sites comprising:
 - (A) Well 5-29-29-19-W4 (Crown P&NG Lease 0477070007, Twp 29, Rge 19, W4M: SW29) (the "**5-29 Well**");
 - (B) Well 6-34-35-17-W4 (Crown P&NG Lease 040484010030, Twp 35, Rge 17, W4M: Sec 34) (the "**6-34 Well**"); and

- (C) Well 2-11-37-18-W4 (Crown P&NG Lease 040490070099, Twp 37, Rge 18, W4M: Sec 11) (the "**2-11 Well**"),
- (collectively, the "**Disputed Assets**");
- (ii) interfering in any manner with the Company's ability to protect, preserve, and operate the Disputed Assets pending determination of the dispute over ownership of the Disputed Assets, whether by further Order of this Honourable Court or by agreement between the parties; and
 - (iii) contacting or communicating with any of the Company's employees, contractors, suppliers, vendors, or operators in relation to the Disputed Assets.
- (b) an Order (the "**Preservation Order**"), pending the final resolution of the dispute over ownership of the Disputed Assets, whether by further Order of this Honourable Court or by written agreement between the parties, providing that:
- (i) Endrum be authorized and permitted to continue operating, protecting, and preserving the Disputed Assets;
 - (ii) in operating, protecting, and preserving the Disputed Assets, Endrum be authorized to deduct from the gross revenues generated by each of the Disputed Assets the sum of \$750 per well, per month, to reimburse Endrum for its reasonable costs incurred in preserving and operating that well (the "**Preservation Costs**"), and remit the balance of such gross revenues, net of the Preservation Costs (the "**Net Revenues**"), to Ogilvie LLP, in trust;
 - (iii) in addition to the Preservation Costs referred to in sub-paragraph (ii) above, Endrum is authorized to deduct from the gross revenues generated by each of the Disputed Assets:
 - (A) the actual costs incurred by Endrum to transport oil produced from that Disputed Asset to receiving and processing facilities, including all trucking and hauling charges ("**Transportation Costs**"); and
 - (B) the reasonable costs incurred by Endrum from time to time in the maintenance, repair, and upkeep of that Disputed Asset, to the extent necessary to ensure its continued safe and proper operation in accordance with applicable regulatory requirements ("**Maintenance Costs**");
 - (iv) Endrum remit the Net Revenues to Ogilvie LLP, in trust, on a monthly basis, within ten (10) days of the end of each calendar month in which such Net Revenues are received or realized by Endrum;
 - (v) Ogilvie LLP hold all Net Revenues received pursuant to the Order in trust, in an interest-bearing trust account, and not release, distribute, or otherwise deal with any such funds except pursuant to a further Order of this Honourable Court or the written agreement of all parties to this proceeding;

- (vi) Endrum be required to maintain complete and accurate books, records, and accounts of all gross revenues generated by, and all preservation costs deducted in respect of, each of the Disputed Assets, and make such books, records, and accounts available for inspection by the Respondents, or their counsel, upon reasonable written request;
- (vii) upon final resolution of the dispute over ownership of the Disputed Assets, the Net Revenues held by Ogilvie LLP in trust, together with all interest accrued thereon, be distributed in accordance with the terms of the Order or written agreement resolving such dispute; and
- (viii) Endrum, its directors, officers, employees, and agents incur no liability as a result of any act or omission done in good faith in the operation, protection, or preservation of the Disputed Assets, or in the deduction and remittance of Preservation Costs and Net Revenues, in accordance with the terms of the Order, save and except in the case of gross negligence or wilful misconduct.

Oil Production and Delivery

- 3. Endrum Energy Corp. operates approximately 15 oil wells and 165 gas wells across a contiguous 35,000-acre land base in central Alberta. Oil production from these wells is delivered to customers via tanker truck.

The Hauling Step

- 4. Oil produced at Endrum's well sites is collected in on-site storage tanks and then hauled by tanker truck to third-party processing and receipt facilities. Sarge's Oilfield Services ("**Sarge's**") is the hauling company that arranges the trucking. Before each load, Sarge's must notify the receiving facility — either Secure Waste Infrastructure Corp. ("**Secure**") or Pine Cliff Energy Ltd.'s MudSprings Oil Battery (the "**Pine Cliff Facility**") — about the proposed upcoming hauling, which means Sarge's are typically the first to learn of any restrictions on accepting loads.

The Processing/Receipt Facilities

- 5. Depending on the location of the well, Endrum's oil may be hauled to one of two receiving facilities: Secure or the Pine Cliff Facility.
- 6. Once the oil is received at the facility, it is processed and then purchased by Endrum's oil buyer, Trafigura Canada Limited.

Refusal to Accept Endrum's Oil

- 7. As of August 20, 2026, both Secure and the Pine Cliff Facility have refused to accept oil produced from Endrum's wells for processing.

Secure

- 8. Secure stopped accepting loads from Endrum on or about July 30, 2026.

9. On July 30, 2026, Dean McCaffery, an Endrum Foreman/Superintendent ("Mr. **McCaffery**") informed me that that Bob Sargent, the owner of Sarge's ("Mr. **Sargent**") informed him that Secure would no longer accept oil from any of Endrum's wells.
10. Attached and marked as **Exhibit "A"** to my Affidavit is a screenshot of a text message from Mr. McCaffery evidencing this communication.
11. As noted in the email attached as Exhibit "AA" to the Third Affidavit of Norman Antonio Morales sworn July 27, 2026 in these proceedings, Secure had previously threatened to suspend services to Endrum on or around July 13, 2026.

Pine Cliff Facility

12. I am advised by Mr. McCaffery, and do verily believe, that another Endrum contract operator named Dave Young ("Mr. **Young**") had spoke to Mr. Sargent that morning to arrange hauling from various wells. Mr. Sargent then told Mr. Young that no loads from Endrum or Jake Energy would be accepted at the Pine Cliff Facility until the ownership dispute is resolved.
13. Attached and marked as **Exhibit "B"** to my Affidavit is a text message from Mr. McCaffery received on August 20, 2026 evidencing this communication.
14. On August 20, 2026, Mr. McCaffery texted to inform me that Alex Grenville, the foreman at the Pine Cliff Facility ("Mr. **Grenville**"), received a directive from Calgary directing the Pine Cliff Facility to not accept any oil from either Endrum or Jake Energy.
15. Attached and marked as **Exhibit "C"** to my Affidavit is a text messages from Mr. McCaffery received on August 20, 2026 evidencing this communication
16. As a result of both Secure Energy and Pine Cliff Mudsprings refusing to accept oil from Endrum, there is presently no facility available to receive and process oil production from Endrum's oil wells, including the Disputed Assets. This is causing immediate and ongoing harm to Endrum and its creditors, as Endrum is unable to haul and sell its oil production for the month of August 2026. I estimate that this will cause approximately \$50,000 in lost revenue for the month of August.
17. The refusal by these facilities to accept Endrum's oil production is a direct consequence of the Respondents' interference with Endrum's operations and the ongoing dispute over the Disputed Assets.

SWORN BEFORE ME at the City of Calgary,
in the Province of Alberta, this 21 day of
August, 2026.

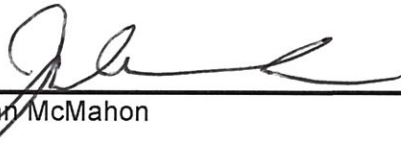

A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA

ASIF N. ASHIQ

Barrister & Solicitor

Commissioner for Oaths and

1412-7124-3555, v. 1 Notary Public in and for Alberta


John McMahon

340, 600 Crowfoot Crescent NW
Calgary, AB T3G 0B4

This is Exhibit "A" referred to in the Affidavit
of John McMahon sworn before me on
August 21, 2026



Commissioner for Oaths
in and for the Province of Alberta

ASIF N. ASHIQ
Barrister & Solicitor
Commissioner for Oaths and
Notary Public in and for Alberta

340, 600 Crowfoot Crescent NW
Calgary, AB T3G 0B4



DM



Dean >

Thu, Jul 30 at 2:04 PM

Do u know when
those Bounty and
GasPro payments will
go out

Sarges called Secure
to haul in 2-11 today
and Secure won't let
him haul it. They r
basically banning
Endrum oil. No
specific reason given.
Not sure if it's money
owing or Brad
influence. So it will
stay in the tank for
July

We should get a new



if always done and
get the...
so at least we have



This is Exhibit "B" referred to in the Affidavit
of John McMahon sworn before me on
August 21, 2026



Commissioner for Oaths
in and for the Province of Alberta

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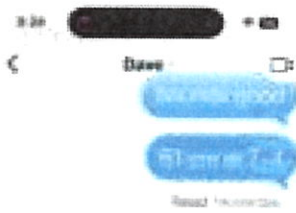
3:16



< try. Just g
other text
showed up
So will get fixed
tomorrow am



Today 9:25 AM



Nice

Today 9:25 AM

Hey Felles.
I just got an email, we are
NOT accepting and fluids
from Jake energy or En-
drum until further notice.
Still issues with a legal-
ties.



Guess we're not hauling
any oil this month. That's
from pinecliff!

+

Dave just sent me
this. From Pinecliff.
So we have no
options to haul oil to
this month



This is Exhibit "C" referred to in the
Affidavit of John McMahon sworn before
me on August 21, 2026



Commissioner for Oaths
in and for the Province of Alberta

ASIF N. ASHIQ
Barrister & Solicitor
Commissioner for Oaths and
Notary Public in and for Alberta

340, 600 Crowfoot Crescent NW
Calgary, AB T3G 0B4

3:17



Right



Dean >



Today 12:50 PM

Who from Pinecliff
told Dave he couldn't
haul?

Alex, who runs the
Mud Springs battery,
received an email
from Calgary that
told him to not accept
any fluid from Jake
and Endrum. Alex
then texted Bob at
Sarges

We haven't seen the
email that Alex
received as he won't
forward it to us



iMessage

