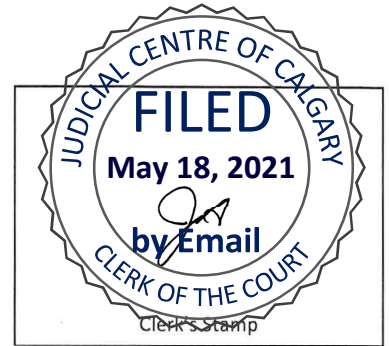


District of Alberta
Division No. 02 – Calgary
Court No. 25-2679073
Estate No. 25-2679073



COM
June 17, 2021
Justice Romaine

B201 679073

COURT

QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

AND IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY
ACT, RSC 1985, C B-3, AS AMENDED

MATTER

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF GREENFIRE OIL AND GAS LTD.

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF GREENFIRE HANGINGSTONE
OPERATING CORPORATION

AND IN THE MATTER OF THE RECEIVERSHIP OF GREENFIRE
HANGINGSTONE OPERATING CORPORATION

APPLICANT

BOOM CONSTRUCTION LTD.

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

Rose LLP
2100, 440 – 2nd Avenue S.W.
Calgary, Alberta T2P 5E9
Telephone: (403) 776-05
Attention: Courtney Kachur and Elisa Stewart
File No.: 10684-003

AFFIDAVIT OF RYAN MORSE

Sworn (or Affirmed) on May 6, 2021

I, Ryan Morse, of Calgary, Alberta, SWEAR AFFIRM AND SAY THAT:

1. I am the President of Boom Construction Ltd. ("**Boom**") and as such I have personal knowledge of the facts and matter hereinafter deposed to, except where stated to be based upon information and belief, in which case I verily believe the same to be true.
2. I am authorized to swear this Affidavit on behalf of Boom.

Boom's Work for Greenfire

3. In or around August, 2019, Boom was engaged by Greenfire Oil & Gas Ltd. and Greenfire Hangingstone Operating Corporation (collectively, "**Greenfire**") to supply and deliver certain labour, materials, services and equipment (the "**Work**") in connection with the construction of an improvement to an oil and gas well or well site under various purchase orders issued under a Master Service and Supply Agreement, dated July 2019 (the "**Agreement**").
4. The Work was supplied to, performed on, and incorporated into an oil and gas well or well site legally described as 13-26-084-11-W4, and in respect of oil sands and petroleum lease number 072 728201AT70 (collectively, the "**Lands**") formed part thereof, and constituted an improvement to the same.
5. Greenfire requested that Boom provide labour, materials, tools, equipment, manpower and services for the completion of the Work and was at all times aware of, directed, authorized, acquiesced in and approved the Work as the same progressed and benefitted from the same.

The Outstanding Invoices

6. As a result of the Work, Boom issued 13 invoices in accordance with the Agreement and in respect of the Work it performed on the Lands, to Greenfire (collectively, the "**Invoices**"), as set out below:

Invoice No.	Project	Date of Invoice	Amount of Invoice (\$)	Payments Made (\$)	Payment Date	Interest Owning as of August 12, 2020 (contractual interest at 2%) (\$)	Total Amount Owning (\$)
20180586	19145	2019-10-08	164,877.65	-	-	32,975.53	197,853.18
20180591	19145	2019-10-17	135,420.90	-	-	27,084.18	162,505.08
20180594	19146	2019-10-23	56,834.19	-	-	11,366.84	68,201.03
20180611	19138	2019-11-06	4,526.80	-	-	814.82	5,341.62
20180644	19190	2019-11-27	44,771.15	-	-	8,058.81	52,829.96
1129	20041	2020-04-01	91,706.75	87,339.76	2020-03-02	349.36	4,716.35
1054	20041	2020-04-02	79,252.55	79,252.55	2020-02-18	-	-
1034	20015	2020-03-11	9,091.02	747.45	2020-02-18	834.36	9,177.93
1130	2005	2020-08-12	2,433.23	-	-	(N/A)	2,433.23
20180582	19119	2019-10-08	42,881.27	42,881.27	2019-12-24	-	-
20180583	19119	2019-10-08	42,563.38	42,563.38	2020-01-10	-	-
20180587	19146	2019-10-08	47,467.74	47,467.74	2020-01-31	-	-
20180619	19170	2019-11-13	11,402.11	11,402.11	2019-12-24	-	-
TOTAL:							503,058.37

7. Attached as **Exhibit "A"** to this Agreement are copies of the Invoices.
8. Greenfire received and approved each of the Invoices.
9. The total amount owing on the Invoices, including contractual interest at the rate of 2% per month, equals \$503,058.37 (the "**Outstanding Amount**").

The Builder's Lien

10. On March 27, 2020, Boom filed a builders' lien with the Alberta Department of Energy, bearing registration number 2000801, in the amount of \$304,825.35 plus interest and costs, against the Lands and in relation to the Invoices (the "**Lien**"). Attached as **Exhibit "B"** to this Affidavit is a copy of the Lien.
11. At the time that the Lien was registered, the Work was ongoing.

The Secured Claims Process

12. On March 19, 2021, Boom submitted a Secured Proof of Claim (the "**Proof of Claim**") to Alvarez & Marsal Canada Inc. (the "**Receiver**"), in accordance with the Notice to Claimants (Secured Claims Procedure) provided to Boom by the Receiver (the "**Secured Claims Procedure Notice**"). The Proof of Claim states, among other things, that Boom holds a secured claim, as a result of the Lien, in the amount of \$304,825.35.
13. Attached as **Exhibit "C"** to this Affidavit is a copy of the Secured Claims Procedure Notice.
14. Attached as **Exhibit "D"** to this Affidavit a copy of the Proof of Claim.
15. On April 16, 2021, the Receiver served Boom with a Notice of Disallowance (the "**Notice**") stating that Boom's claim would be disallowed as a secured claim on the basis that the Lien was registered with Alberta Energy outside the 90 day prescribed period to register a builders' lien under section 41 of the *Builders' Lien Act*, RSA 2000, c B-7. Attached as **Exhibit "E"** to this Affidavit is a copy of the Notice.
16. Boom disputes the classification of its claim as an unsecured claim given that it continued to perform work for and at the request of Greenfire within 90 days before the date that the Lien was registered, being December 28, 2019 (the "**90 Day Period**").
17. Attached as **Exhibit "F"** to this Affidavit are copies of correspondence between Greenfire and Boom showing that the Work was ongoing within the 90 Day Period at the request of, and with the full knowledge of, Greenfire (the "**Correspondence**").
18. Specifically, Greenfire requested Boom to perform Work on the Lands which are the subject matter of the Lien in the attached correspondence, including but not limited to the following examples:
 - (a) February 10, 2020 – email from Greenfire (Travis Shield) to Boom (Kyle Scott) asking Boom to supply material, shop fabrication labour, and field install labour (see Exhibit F, Affidavit page 174);

- (b) February 21, 2020 – email from Greenfire (Jodi Boudreau) to Boom (Brett Hiebert) stating there is approval for the attached purchase order. The attached purchase order (PO# 201948, dated February 21, 2020) identifies the delivery location as 13-26-084-11W4, being the Lands (see Exhibit F, Affidavit pages 176–177);
- (c) February 25, 2020 and February 27, 2020 – emails from Greenfire (Travis Shield) to Boom (Brett Hiebert) regarding PO# 201906 (MOC-100) requesting welder from Boom to be on site during in relation to pile rig mobilization and install (see Exhibit F, Affidavits page 186);
- (d) March 12, 2020 – email from Greenfire (Travis Shield) to Boom (Brett Hiebert) in relation to MOC-100 fabrication stating that Greenfire would like to proceed with stress relief, hardness testing, and hydrotesting and asking Boom to move forward as planned with piping delivery to the Greenfire site (see Exhibit F, Affidavit page 328); and
- (e) March 18, 2020 email from Greenfire (Travis Shield) to Boom (Brett Hiebert and Kyle Scott) requesting shop fabrication and hauling for MOC 123 (see Exhibit F, Affidavit page 221).

Any one of the above requests by Greenfire establishes that Boom's lien is valid and was filed within the 90 Day Period, and further demonstrates that the Receiver's position in disallowing Boom's Proof of Claim is, respectfully, incorrect.

- 19. In addition, attached as **Exhibit "G"** to this Affidavit is a copy of the Boom's payroll report detailing payroll records with respect to the Work requested by Greenfire, including, among other things, amounts for labour performed during the 90 Day Period (the "**Payroll Report**").
- 20. As detailed in the Invoices, Correspondence, and Payroll Report, Boom continued to provide work on the Project during the 90 Day Period as part of the ongoing convenient arrangement between Boom and Greenfire. Taken together, this evidence shows that Boom's lien was validly filed in time for Work requested by Greenfire during the 90 Day Period. As a result, Boom's lien should be declared valid and its Proof of Claim as a secured creditor should be allowed.

SWORN (OR AFFIRMED) BEFORE ME at the
Calgary, Alberta, this 6th day of May, 2021



(A Commissioner for Oaths in and for Alberta)

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Ryan Morse

ELISABETH J. STEWART
Barrister & Solicitor