Alberta Energy Regulator

Order

Made at Edmonton, in the Province of Alberta, on April 30, 2026	ALBERTA ENERGY REGULATOR

Under sections 22, 25(a) and 27 of the *Oil and Gas Conservation Act (OGCA),* sections 137, 140 and 241 of the *Environmental Protection and Enhancement Act (EPEA)* and section 3.012(c) of the *Oil and Gas Conservation Rules (OGCR)*.

Mooncor Energy Inc. (A2BW)
2500 – 520 5 Ave SW
Calgary, AB T2P 3R7

(Mooncor, or the Licensee)

WHEREAS Mooncor is the holder of business administration code A2BW and holds well and pipeline licenses granted by the Alberta Energy Regulator (AER, or the Regulator) under *OGCA* (collectively, the Licences) as listed in Appendix 1;

WHEREAS there is physical infrastructure associated with the Licences, including wells and well sites (collectively, the Sites) whereas Mooncor is the operator of the Sites;

WHEREAS Mooncor is licensed or otherwise authorized by the AER to operate the Licences on the land legally described in Appendix 1 (the Lands):

WHEREAS Mooncor is an "operator" defined in section 134(b)(i) of the *EPEA*;

WHEREAS the Lands are "specified land" as defined in section 134(f) of the *EPEA* and section 1(t) of the *Conservation and Reclamation Regulation*;

The December Order

WHEREAS on December 1, 2025, the AER, with Tyler Callicott as the statutory decision maker (the Director), issued an order (the December Order) to Mooncor under sections 22 and 27(1) of the *OGCA* and sections 1.120 and 1.220 of the *OGCR* due to concerns regarding Mooncor's field and administrative noncompliance status, including Mooncor's failure to come into compliance with the 2022, 2023 and 2024 Mandatory Closure Spend Quota (MCSQ);

WHEREAS clause 1 of the December Order imposed terms and conditions on Mooncor, including bringing all noncompliant *Directive 013* wells as listed in Appendix 2, into compliance and confirming

the status of the wells in writing to the Director along with updating the status in the appropriate AER systems;

WHEREAS clause 2 of the December Order required Mooncor to post a security deposit for the outstanding 2022, 2023 and 2024 MCSQ security;

WHEREAS clauses 3(a) and 3(b) of the December Order directed Mooncor suspend its wells in a safe manner acceptable to the AER, including updating the status of the wells in AER systems, ensuring all wells were shut-in and secured, and verified there are no leaks;

WHEREAS clause 4 of the December Order directed Mooncor to ensure all containment devices or equipment were depressurized, emptied and rendered safe and all fluids were removed from the Sites and disposed of in a manner acceptable to the AER;

WHEREAS under clause 5 of the December Order Mooncor was required to report any hazards to the AER that presented a risk to public safety or the environment;

WHEREAS the December Order required Mooncor to provide any information pertaining to the Order when requested by the AER within two business days of the request;

WHEREAS on December 24, 2025, Mooncor requested an extension to February 28, 2026, to complete clause 1 of the December Order, and further requested an extension to March 31, 2026, to meet its outstanding MCSQ obligations;

WHEREAS on January 5, 2026, the Director approved Mooncor's request for an extension for clause 1 and clause 2 of the December Order;

WHEREAS on March 4, 2026, the AER informed Mooncor in a letter that it had failed to comply with clauses 1, 2, 3(a-b), 4 and 6 of the December Order;

WHEREAS on March 13, 2026, Mooncor submitted a response indicating that it had not met the requirements of the December Order, citing financial constraints, and further advised that it had not completed certain outstanding inspections due to adverse weather conditions limiting site access;

WHEREAS on March 26, 2026, the Director informed Mooncor that the AER had provided multiple extensions and sufficient time to achieve compliance, which has not resulted in Mooncor meeting its regulatory obligations and commitments;

WHEREAS to date, Mooncor has not brought all its noncompliant wells into compliance with *Directive 013*;

WHEREAS to date, Mooncor has not posted its outstanding security for the 2022, 2023, and 2024 MCSQ;

Director Assessment

WHEREAS Tyler Callicott, Director, Enforcement and Orphaning, has the authority to issue orders under the *OGCA* and the *EPEA*;

WHEREAS based on the above, Director is of the opinion that Mooncor has failed to comply with the December Order and it is necessary to suspend each of the licences listed in Appendix 1 to this order;

WHEREAS, due to Mooncor's inability to reactivate its wells, unaddressed MCSQ, and multiple communications indicating its financial challenges, the Director is of the opinion that Mooncor is in high financial distress and unable to fulfil its end-of life closure responsibilities for the Sites;

WHEREAS, due to Mooncor's failure to meet commitments and inability to access its sites to complete inspections, the Director believes that Mooncor does not have the capacity to fulfill its regulatory and liability obligations throughout the energy development lifecycle;

WHEREAS Mooncor has contravened the December Order and sections 1.120 and 1.220 of the *OGCR*, and the AER has by way of this order suspended the licences, the Director is of the opinion that it is necessary to order Mooncor to abandon its wells;

WHEREAS section 137 of the *EPEA* states that an operator must conserve and reclaim specified land and unless exempted by the regulations obtain a reclamation certificate in respect of the conservation and reclamation;

WHEREAS reclamation certificates have not been issued for the Lands under section 138 of the *EPEA*;

WHEREAS section 140 of the *EPEA* permits the AER to issue an environmental protection order directing the performance of any work if the AER is of the opinion that work is necessary to conserve and reclaim specified lands;

WHEREAS the Director is of the opinion that the performance of the work described in this Order is necessary to conserve and reclaim the Lands;

Therefore, I, Tyler Callicott, Director, Enforcement and Orphaning, under sections 22, 25(a) and 27 of the *OGCA,* sections 137, 140 and 241 of the *EPEA* and section 3.012(c) of the *OGCR* do hereby order the following:

Suspension and Immediate Actions

1. The following licences are hereby suspended:
    a. Licence W0370730 for well 00/12-34-088-24W5/0 is hereby suspended
    b. Licence W0366889 for well 00/13-06-084-05W6/0 is hereby suspended
    c. Licence W0364658 for well 00/05-02-076-05W6/0 is hereby suspended
    d. Licence W0361545 for well 02/03-28-049-02W4/0 is hereby suspended
    e. Licence W0361527 for well 02/04-28-049-02W4/0 is hereby suspended

f. Licence W0349040 for well 02/03-31-094-12W6/0 is hereby suspended

g. Licence W0321866 for well 03/06-34-094-12W6/0 is hereby suspended

2. Mooncor must confirm in writing no later than **two (2) calendar days** from the date of this Order that Mooncor's 24-hour emergency number is posted at the Sites, will remain active, and will initiate an immediate response when called.

3. Mooncor must maintain insurance in accordance with section 4.2(8) of *Directive 067*.

4. Mooncor must retain any electronic and paper records related to operation of the Sites, including, but not limited to, well files, environmental files, and Emergency Response Plans related to the Sites and make them available upon request.

Abandonment

5. All of the Mooncor licenced wells in Appendix 1 are hereby ordered to be abandoned within **sixty (60) calendar days** from the date of this Order.

6. Mooncor must submit a plan to abandon the wells (the Abandonment Plan) in Appendix 1 to the Director for approval within **fourteen (14) calendar days** from the date of this Order.

7. The Abandonment Plan must detail how Mooncor will complete abandonment of the wells in Appendix 1 within **sixty (60) calendar days** from the date of this Order. The Abandonment Plan must include, at a minimum:

   a. A schedule with timelines for abandonment of each site.

   b. Abandonment of the wells must be completed in accordance with *Directive 020: Well Abandonment* and includes surface abandonment and removal of all surface equipment, cement, pads, debris, and produced liquids associated with the wells.

   c. Mooncor must implement the Abandonment Plan as approved by the Director.

   d. Mooncor must update all applicable AER systems upon completion of abandonment work.

Reclamation

8. No later than **thirty (30) calendar days** from the date of this Order, Mooncor must submit a Reclamation Plan for AER approval for the conservation and reclamation of the Lands (the Reclamation Plan).

9. The Reclamation Plan shall include the actions Mooncor will take to reclaim the Lands and obtain reclamation certificates. The Reclamation Plan must include:

   a. A list of all actions to be taken in obtaining a reclamation certificate (such as Environmental Site Assessments, Detailed Site Assessments, reclamation certificate applications), and

   b. A schedule of implementation for each step in the Reclamation Plan.

c. Mooncor must implement the Reclamation Plan, as approved by the AER. The AER will advise Mooncor if the Reclamation Plan is complete or requires changes.

10. Mooncor shall apply for reclamation certificate for each Site once that site is fully reclaimed, in accordance with section 137 of the *EPEA*.

Reporting

11. Mooncor shall submit a weekly report summarizing actions and progress in abandoning the Sites to the Director. The report should be sent to ComplianceAssurance@aer.ca, attention Tyler Callicott.

General Terms

12. All submissions required in complying with this Order must be made in the format and to the applicable AER system, as required by the AER regulations or the Director.

13. In carrying out the requirements of this Order, Mooncor must obtain and comply with all federal, provincial, or municipal permits and governing legislation and provide all authorizations to the AER upon request.

14. All applicable regulatory requirements are to be followed and complied with in the undertaking of any actions or directions prescribed under the Order.

15. Where a deadline has been specified in this Order, the Director may authorize in writing a different deadline or reporting frequency.

16. If requested by the Director, Mooncor shall submit, within **two (2) business days**, any records pertaining to this Order.

Dated at the City of Edmonton, in the Province of Alberta, the 30 day of April 2026.

<original signed by>

Tyler Callicott
Director, Enforcement and Orphaning
Alberta Energy Regulator

In complying with this order, the party or parties named must obtain all approvals necessary, notwithstanding the above requirements.

This order in no way precludes any enforcement actions being taken regarding this matter under the *OGCA, EPEA* and *OGCR* or any other provincial or federal legislation, or by any other regulator with jurisdiction.

All enforcement actions issued by the AER may be subject to a follow-up review to confirm previous commitments have been completed and measures have been implemented, to ensure similar

noncompliances are prevented in the future. The AER may request any information that demonstrates steps have been taken to prevent repeat noncompliances from occurring.

Under the *Responsible Energy Development Act*, an eligible person may appeal decisions that meet certain criteria. Eligible persons and appealable decisions are defined in section 36 of the *Responsible Energy Development Act* and section 3.1 of the *Responsible Energy Development Act General Regulation*. If you wish to file a request for regulatory appeal, you must submit your request according to the AER's requirements. You can find filing requirements and forms on the AER website, www.aer.ca, under Regulating Development: Project Application: Regulatory Appeal Process.

Appendix 1: Wells

Licence/ WM Approval	Well UWI	Entity Status	Surface Location	WIP Current Name	WIP Current Code	WIP Interest, %
W0370730	00/12-34-088-24W5/0	Abandoned	12-34-088-24W5	Mooncor Energy Inc.	A2BW	100.0000%
W0366889	00/13-06-084-05W6/0	Abandoned	13-06-084-05W6	Mooncor Energy Inc.	A2BW	100.0000%
W0364658	00/05-02-076-05W6/0	Suspension	05-02-076-05W6	Mooncor Energy Inc.	A2BW	75.0000%
				Sinopec Canada Energy Ltd.	A97N	25.0000%
W0361545	02/03-28-049-02W4/0	Suspension	04-28-049-02W4	Bounty Developments Ltd.	0HP8	40.0000%
				Mooncor Energy Inc.	A2BW	60.0000%
W0361527	02/04-28-049-02W4/0	Suspension	04-28-049-02W4	Mooncor Energy Inc.	A2BW	100.0000%
W0349040	02/03-31-094-12W6/0	Suspension	03-31-094-12W6	Mooncor Energy Inc.	A2BW	100.0000%
W0321866	03/06-34-094-12W6/0	Suspension	06-34-094-12W6	Mooncor Energy Inc.	A2BW	100.0000%

Appendix 1: Pipelines

Licence/ WM Approval	Segment/Installation	Entity Status	Surface Location	To Surface Location
P49860	S-1	Abandoned	13-06-084-05W6	07-01-084-06W6

Appendix 2: *Directive 013* Wells

Well Licence Number	UWI	Surface Location	Licence Status	Final Drill Date	Last Volumetric Activity Date	Directive 13 Inactive Status Date	Industry Reported Suspension Date	Industry Reported Inspection Date	Next Inspection Due Date
0321866	03/06-34-094-12W6/0	6-34-94-12W6	Suspension	19-Jan-2006		31-Jan-2007	22-Jan-2007	25-Mar-2008	25-Mar-2013
0349040	02/03-31-094-12W6/0	3-31-94-12W6	Suspension	11-Feb-2006		28-Feb-2007	15-Nov-2017	14-Mar-2018	14-Mar-2023
0361527	02/04-28-049-02W4/0	4-28-49-2W4	Suspension	22-Aug-2006	31-Oct-2017	31-Oct-2018	25-Apr-2022	09-Feb-2026	09-Feb-2027
0361545	02/03-28-049-02W4/0	4-28-49-2W4	Suspension	31-Aug-2006	31-Jul-2017	31-Jul-2018	01-Apr-2022	09-Feb-2026	09-Feb-2027
0364658	00/05-02-076-05W6/3	5-2-76-5W6	Suspension	01-Nov-2006		30-Nov-2007	30-Sep-2022	20-Jan-2026	20-Jan-2031

Appendix 2: *Directive 013* Wells

Well Licence Number	Medium Risk Type 6 Well	Directive 13 Compliance Status	Noncompliance Details
0321866	Yes	Non Compliant	Downhole operation not reported on Medium or High Risk Well\Inactive greater than 10 years\Inspection is overdue
0349040	Yes	Non Compliant	Inspection is overdue
0361527	No	Compliant	
0361545	No	Compliant	
0364658	Yes	Non Compliant	Inactive greater than 10 years