



Calgary Head Office

📍 Suite 1000, 250 – 5 Street SW
Calgary, Alberta T2P 0R4

tel 403-297-8311

aer.ca

By email only

February 17, 2026

Mojek Resources Inc.

Attention: Jane Eruchalu

Red Angus Energy Inc.

Attention: doug@redangusenergy.com

Alberta Energy Regulator – Orphaning, Insolvency & Legacy Group and Eligibility, Transfer, and Security

Attention: Oluchi Chijioke, Counsel

Dear Parties:

RE: Stay Request & Request for Regulatory Appeal by Mojek Resources Inc. (Mojek) Alberta Energy Regulator – Orphaning, Insolvency & Legacy Group (OI) and Eligibility, Transfer, and Security (ETS) Red Angus Energy Inc. (Red Angus) Amended Order 2024-049A dated November 3, 2025 and Regulator Directed Transfer (RDT) Application 1958529 approved on October 20, 2025 Licence Nos.: W0342576 and P048191 Location: 12-16-064-05W6 to 05-16-064-05W6 Request for Regulatory Appeal No.: 1959863

On November 24, 2025, Mojek requested a regulatory appeal under section 38 of the *Responsible Energy Development Act*, SA 2012, c R-17.3 (**REDA**) (**Appeal Request**). The Appeal Request is with respect to the Alberta Energy Regulator (**AER**) decisions to **(1)** approve Red Angus' RDT Application No. 1958529 on October 20, 2025, transferring Well Licence No. W0342576 (**Well Licence**) and Pipeline Licence No. P048191 (**Pipeline Licence**) (collectively, the **Licences**) from Mojek to Red Angus (**RDT Approval**); and, **(2)** issue Amended Order 2024-049A, dated November 3, 2025, to no longer require Mojek and the relevant working interest participant (**WIP**) to take reasonable care and measures (**RCAM**), abandon, and reclaim the well associated with the Well Licence, as was previously required by Order 2024-049 (collectively, the **Decisions**).

Mojek also requested a stay of the Decisions, pending full determination of its Appeal Request (**Stay Request**). For the following reasons, the AER denies Mojek's request for a stay of the Decisions.

📞 **Inquiries** 1-855-297-8311

📞 **24-hour emergency** 1-800-222-6514

@ inquiries@aer.ca

REASONS FOR DECISION

Under section 38(2) of *REDA*, the filing of a request for regulatory appeal does not operate to stay an appealable decision. The AER may, however, grant a stay on the request of a party to the regulatory appeal under section 39(2).

The AER's test for a stay is adopted from the Supreme Court of Canada's decision in *RJR MacDonald*.¹ The onus is on the applicant for the stay to demonstrate that they meet each of the following criteria:

1. Serious question to be tried – Based on a preliminary assessment of the merits of the case, they have an arguable issue to be decided at the requested appeal.
2. Irreparable harm – They will suffer irreparable harm if the stay is not granted.
3. Balance of convenience – The balance of convenience favours granting a stay.²

1 Serious Question

The first step in the test requires the stay applicant to establish that there is a serious issue to be tried. The applicant must demonstrate that there is some basis on which to present an argument on the requested appeal. The stay applicant need only show that the requested appeal is not frivolous or vexatious.

For this part of the test, Mojek submitted that the Decisions were procedurally unfair, made in a manner that was both procedurally irregular and inequitable, and constituted a serious administrative failure. Mojek said it received no notice of the Decisions before they were made, that it had active ongoing objections to the AER's proposed cancellation of public lands dispositions related to the Licences, and that it never consented to the transfer of the Licences. It submitted further that it has experienced disproportionate regulatory hardship, inconsistent handling, and lack of notice dating back to AER enforcement actions in 2021 and 2024.

OI and ETS submitted that there is no serious question to be decided on the Appeal Request and the stay should therefore not be granted. They submitted that Mojek has not indicated how it may be directly and adversely affected by the Decisions, given that the WIP had care and control of the subject well and the Orphan Well Association (**OWA**) had care and control of subject pipeline segment before the AER made the Decisions. They submitted further that there was no issue of lack of notice in respect of the Decisions, and that the active objections referred to by Mojek were not in respect of the Licences.

Red Angus did not make submissions explicitly on this first step of the stay test. However, it submitted that Red Angus holds the mineral rights required to produce from the Well Licence – not Mojek.

We note that the threshold at this step of the stay test is very low. Mojek has raised issues which appear, at least at this stage, *may* constitute serious issues to be heard. We will therefore proceed to consider the second and third steps of the stay test.

¹ *RJR MacDonald Inc v Canada (Attorney General)*, [1994] 1 SCR 311 (*RJR MacDonald*).

² *Ibid* at 334.

This conclusion in no way predetermines the disposition of the request for regulatory appeal of the Decisions, including regarding any relevant elements of sections 38 and 39 of *REDA*. Neither does this conclusion predetermine the issues that would be the subject of a hearing on the regulatory appeal, should the request be granted.

2 Irreparable Harm

The second step in the stay test requires the applicant for the stay to establish that they will suffer irreparable harm if the stay is not granted. Irreparable harm will occur if the stay applicant will be adversely affected by the conduct the stay would prevent if the applicant ultimately prevails on the regulatory appeal. It is the nature of the harm and not its magnitude that is considered. The harm must be of the sort that cannot be remedied through damages (i.e., monetary terms) or otherwise cured.³ As noted by the Alberta Court of Appeal, irreparable harm is “of such a nature that no fair and reasonable redress may be had in a court of law and that to refuse the [stay] would be a denial of justice.”⁴

The Federal Court of Canada has described the stay applicant’s onus at this step of the stay test as follows:

The burden is on the party seeking the stay to adduce clear and non-speculative evidence that irreparable harm will follow if their motion is denied.

That is, it will not be enough for a party seeking a stay to show that irreparable harm *may arguably result* if the stay is not granted, and allegations of harm that are merely hypothetical will not suffice. Rather, the burden is on the party seeking the stay to show that irreparable harm *will result*.⁵

For this part of the test, Mojek submitted that it will suffer irreparable harm including the permanent, non-compensable loss of the Licences and harm to its corporate reputation and regulatory standing. It submitted further that the AER’s decisions over several years have caused personal harm to Mojek’s founders, including loss of life, and that the “disproportionate treatment Mojek has endured exacerbates systemic inequalities that Black-owned businesses face in Alberta’s energy sector”. It argued that its loss of procedural rights, appeal effectiveness, and reputation would be irreparable harms that cannot be remedied by damages.

OI and ETS submitted that Mojek has not demonstrated that it will suffer irreparable harm. They argue that the transfer of the Licences pursuant to the RDT Approval is not necessarily permanent, because if Mojek is ultimately successful in its appeal, a hearing panel could revoke the RDT Approval and the Licences would revert to Mojek. Likewise, if successful on its appeal, a hearing panel could revoke Amended Order 2024-049A, once again making Mojek and the WIP obligated to abandon and reclaim the well associated with the Well Licence. OI and ETS argue further that Mojek has not identified any specific corporate reputation or

³ *Ibid* at 341.

⁴ *Ominayak v Norcen Energy Resources Ltd*, 1985 ABCA 12 at para 31, citing *High on The Law of Injunction*, 4th ed, vol 1 at 36.

⁵ *Canada (Attorney General) v Amnesty International Canada*, 2009 FC 426 at paras 29 and 30 [citations omitted] [emphasis in the original].

regulatory standing harm that will result if it is not granted a stay, and that in any event, such harm would be due to Mojek's own failure to comply with its regulatory obligations.

Red Angus submitted that a stay would create an unreasonable and unnecessary complication, because it would return to Mojek the Well Licence for which Mojek does not hold any associated mineral rights. Red Angus argued that Amended Order 2024-049A benefits rather than harms Mojek, because it relieves Mojek of abandonment and reclamation obligations associated with the Well Licence.

We find that Mojek has not established that it will suffer irreparable harm without a stay of the Decisions.

At the time of the RDT Approval, it appears that both the well and the pipeline segment associated with the Licences were no longer in Mojek's care and control. Mojek does not refute OI and ETS' submission that it no longer had the ability to sell, operate, or access the well associated with the Well Licence. The WIP had care and control of the well, which Order 2024-049 required to be abandoned and reclaimed, and the OWA had care and control of the pipeline segment and was responsible for its abandonment. Further, while Mojek indicates that it continues to seek the reinstatement of a Crown mineral agreement, it does not seriously contest Red Angus' submission that Red Angus currently holds mineral rights associated with the Well Licence.

With or without a stay, in the short term Mojek cannot substantively utilize the Well Licence and Pipeline Licence. It is not clear that a stay would preserve with any degree of certainty Mojek's ability to carry out future activities pursuant to the Well Licence and the Pipeline Licence, because even before the issuance of the Decisions, such future ability was purely speculative.

More importantly, the RTD Approval and Amended Order 2024-049A are both reversible. If Mojek is successful in its appeal and a hearing panel revokes the Decisions, Mojek may hold the reverted Licences and again become subject to Order 2024-049's abandonment and reclamation requirements.

Mojek has also not provided sufficiently concrete evidence to show that, without a stay, it will suffer harm to its corporate reputation and regulatory standing. Before issuing the Decisions, the AER had already named Mojek in multiple instruments, including Order 2024-049 and previous orders and notices identified in Order 2024-049, in response to non-compliances. Mojek has not shown what, if any, additional reputational or regulatory standing harm arises from the issuance of the RTD Approval and Amended Order 2024-049A, as compared to any such harm incurred from its compliance history more generally.

Additionally, it is not clear that even if Mojek were to suffer corporate reputation and regulatory standing harm specifically from the Decisions, that such harm is irreparable. As noted above, if Mojek is successful in its appeal, a hearing panel could revoke the Decisions and Mojek could once again hold the Licences. Further, Mojek could carry out work at any time to comply with outstanding AER requirements, if there are any, to benefit its reputation and regulatory standing.

Further, we find that Mojek has not sufficiently demonstrated with evidence that if the AER refuses to grant a stay, Mojek's founders will suffer personally, or that Mojek as a company will suffer systemic inequalities.

Accordingly, Mojek has not demonstrated that they will suffer any irreparable harm without a stay. Mojek has therefore not satisfied the second branch of the stay test and their Stay Request is denied.

3 Balance of Convenience

As discussed above, an applicant for a stay must satisfy each element of the three-part test for the stay to be granted. Mojek has failed to satisfy the second part of the test (demonstrating irreparable harm), so consideration of the third part of the test (balance of convenience) is not strictly necessary.

The balance of convenience involves examining which party will suffer more harm from granting or refusing the stay. Public interest in the granting or refusal of a stay is a factor considered at the balance of convenience stage.⁶

Mojek asserted that it will be severely prejudiced if refused a stay. It submitted that neither the AER nor Red Angus will suffer any prejudice if a stay is granted. Mojek argued that a stay will further public interest by supporting a fair process, transparency, and an appeal panel's authority to meaningfully review the Decisions.

OI and ETS submitted that a stay would harm the public interest and that the balance of convenience weighs against a stay. They argued that Mojek is unable to provide RCAM to prevent impairment or damage regarding well sites and pipelines that it holds licences for. They submit that if a stay is granted, OWA would need to provide RCAM for the pipeline segment associated with the Pipeline Licence, which is not an appropriate use of OWA resources, and impacts the OWA's overall capacity to close orphan sites. They asserted further that a stay's financial impacts to Red Angus could impair its eventual ability to produce and address closure at its sites, which could place a greater burden on the OWA.

Red Angus submitted that if the AER grants a stay, Red Angus would face substantial financial impacts. It would be in a position where it holds the necessary surface dispositions and mineral rights and has invested in the subject well and pipeline segment, but would nevertheless be unable to obtain benefit from them.

We find that Mojek has not demonstrated that the harm it submits will arise without a stay, outweighs the public interest in refusing a stay.

We note that the AER's governing enactments provide for several measures, including compliance orders, notices, and licence transfer mechanisms relevant to the Decisions, to help the AER carry out its mandate to provide for efficient, safe, orderly and environmentally responsible development.⁷ We note also that Mojek has not meaningfully disputed OI and ETS' submission that the OWA has limited resources and capacity to close orphan sites, such as the pipeline segment associated with the Pipeline Licence. Given the AER's mandate and the nature and history of the Decisions, we are not convinced that it is in the greater public interest to stay the Decisions until the regulatory appeal is determined (which could be an extended period if

⁶ *RJR MacDonald* at 343, 348-49.

⁷ *REDA*, s 2(1)(a).

this matter proceeds to a hearing), with the effect of requiring the WIP and OWA to retake care of the wellsite and pipeline segment with pending abandonment and reclamation requirements.

Consequently, the AER finds that, in addition to failing to demonstrate irreparable harm, Mojek has not established that the balance of convenience favours the AER granting the Stay Request.

CONCLUSION

The Stay Request is dismissed because Mojek has failed to demonstrate irreparable harm and that the balance of convenience favours granting the stay.

The AER will provide further correspondence in due course with respect to the process and timelines for Mojek's Appeal Request.

Sincerely,

<Original signed by>

Evan Knox

Senior Advisor, Regulatory Effectiveness &
Sustainment

<Original signed by>

Jason Brunet

Director, Science & Innovation

<Original signed by>

Steve Thomas

Director, Oil & Gas Subsurface, Waste and
Storage

cc: Myers Agamini, Mojek