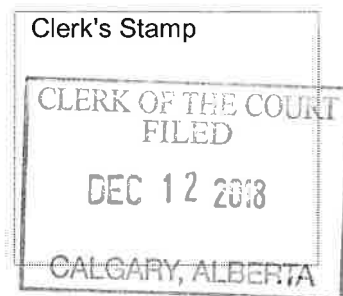


COURT FILE NUMBER 1501-12220  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF ALBERTA TREASURY BRANCHES  
DEFENDANT COGI LIMITED PARTNERSHIP,  
CANADIAN OIL & GAS  
INTERNATIONAL INC., CONSERVE OIL  
GROUP INC. AND CONSERVE OIL 1ST  
CORPORATION  
DOCUMENT **APPLICATION  
BY DEL CANADA GP LTD.**  
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT McMillan LLP  
1700, 421 – 7<sup>th</sup> Ave SW  
Calgary, AB T2P 4K9



Adam Maerov / Richard Jones  
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File No. 259043

**NOTICE TO RESPONDENT(S):**

This application is made against you. You are a Respondent.  
You have the right to state your side of this matter before the Justice.

To do so, you must be in Court when the Application is heard as shown below.

Date:	December 18, 2018
Time:	10:00 a.m.
Where:	Calgary Courts Centre, Commercial Court
Before Whom:	Presiding Justice in Chambers

Go to the end of this document to see what else you can do and when you must do it.

**Remedy claimed or sought:**

1. An order to determine the amount of the Municipal Taxes Fund set out in paragraph 8 of the Approval and Vesting Order dated June 6, 2018 ("**Approving and Vesting Order**");
2. Advice and direction with respect to the claims process for the determination of a municipality's entitlement to the Municipal Taxes Fund;

3. Alternatively, if any municipality seeks an adjournment of this application pending the decision of the Court of Appeal in *Northern Sunrise County v. Virginia Hills Oil Corp.*, then such municipality shall provide an undertaking as to damages in favour of the Purchaser and the Receiver and, without limitation, for any claim, loss, damages, costs, including full indemnity legal and other professional costs, interest and penalties that they may incurred or for which they may be liable as a result of such adjournment, and any delay in the closing or loss of the Transaction, or the loss of the use of the money or costs of the letter of credit funding or securing the Municipal Taxes Fund.
4. Costs as determined by this Honourable Court.

**Grounds for making this application:**

5. Paragraph 8 of the Approving and Vesting Order sets a maximum amount of \$3 million for the Municipal Taxes Fund ("Fund"), which is to pay special liens claimed pursuant to section 348 of the *Municipal Government Act*, as secured claims.
6. Under the Approving and Vesting Order, it is a condition of closing that the Fund be established.
7. The Purchaser seeks a determination of the amount of the Fund so that any claim made by any municipality that does not have a secured claim (special liens) against the Purchased Assets, as the Purchased Assets are not within the boundary of the municipality, are excluded from the Municipal Taxes Fund.
8. Further, the Municipal Taxes Fund be a fund for proven secured claims of municipalities that have Purchased Assets located within their municipal boundaries.
9. Particularly, the Purchaser seeks application of the decision in *Regent Resources Ltd (Re)*, 2018 ABQB 669, wherein a special lien (secured claim) for municipal taxes under the *Municipal Government Act* is limited to land and improvements within the boundaries of the municipality.
10. Requiring the Purchaser to post money into the Fund in excess of the potential municipal secured claims (special liens) will further delay the closing of the Transaction and cause the Purchaser loss and damages, and further costs.

**Material or evidence to be relied on:**

11. Affidavit of Charles W. Chapman, filed; and
12. Such other materials or evidence as counsel may advise.

**Applicable Rules:**

13. Rules 1.2, 1.4, and 9.14 of the *Alberta Rules of Court*.

**Applicable legislation:**

- 14. *Municipal Government Act*, RSA 2000, M-26, s 348.
- 15. *Judicature Act*, RSA 2000, c J-2, s 13(1).

**Any irregularity complained of or objection relied on:**

- 16. None.

**How the application is proposed to be heard:**

- 17. Commercial Court.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this Application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to rely on an affidavit or other evidence when the Application is heard or considered, you must reply by giving reasonable notice of the material to the Applicant.