



Clerk's stamp:

COURT FILE NUMBER 1501-12220  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
APPLICANT ALBERTA TREASURY BRANCHES  
RESPONDENTS COGI LIMITED PARTNERSHIP, CANADIAN OIL & GAS INTERNATIONAL INC., AND CONSERVE OIL GROUP INC. and CONSERVE OIL 1<sup>st</sup> CORPORATION  
DOCUMENT APPLICATION TO INCREASE RECEIVER'S BORROWING POWERS  
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT G. Brian Davison, Q.C.  
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File No.: 16155-00002

**NOTICE TO THE 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 Court.

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

Date	Friday, January 20, 2017
Time	10 a.m.
Where	Calgary Courts Centre, 601 - 5 <sup>th</sup> Street S.W., Calgary, Alberta
Before	Justice G. A. Campbell

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

**Remedy claimed or sought:**

1. MNP Ltd. (the "Receiver"), the receiver and manager of COGI Limited Partnership, Canadian Oil and Gas International Inc. and Conserve Oil Group Inc. and Conserve Oil 1<sup>st</sup> Corporation (collectively, the "Companies") seeks an order:

- (a) Authorizing and approving an increase in the Receiver's borrowing powers as set out in paragraphs 21 of the Receivership Order dated October 26, 2015 and paragraph 22 of the Receivership Order dated January 6, 2016, as amended by Order dated June 10, 2016, to \$9.5 million; and
  - (b) any further and other relief that this Honourable Court may advise or find appropriate.
2. An Order declaring service of this Application good and sufficient, and abridging time for notice of this Application to the time actually given, if necessary.

**Grounds for making this Application:**

3. By orders dated October 26, 2015 and January 6, 2016, the Receiver was appointed Receiver over the Companies.
4. Since its appointment, the Receiver has carried on various investigations into the affairs of the Companies and has carried on the operations of the Companies, incurring operational, administrative and overhead expenses as a result;
5. The Receiver had previously obtained the Court's approval for an increase in borrowing powers in order to commence a work-over program which was intended to improve cash flow and positively affect the Companies' LMR (Liability Management Rating) with the Alberta Energy Regulator;
6. As a result of changes to the LMR program announced in 2016, the Receiver did not commence the work-over program, but instead obtained Court approval for a sales process;
7. The Receiver conducted a sales process with respect to the Companies' oil and gas assets, but the sales process was unsuccessful;
8. Many of the Companies' oil and gas wells have been "shut in" due to low pricing environment and other factors;
9. The Receiver is planning to re-institute the planned work-over program which will see several of the Companies' wells brought back to producing status over many months. The Receiver expects that this should improve cash flow and positively affect the Companies' LMR rating to make the Companies' assets more marketable.
10. The Receiver requires an increase in its borrowing powers in order to continue to fund the Receivership and complete the proposed work-over program;
11. Alberta Treasury Branches, the priority secured lender and the proposed lender pursuant to the Receiver's certificate, supports this application; and

12. Such further and other material as counsel may advise and this Honourable Court may permit.

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

13. The Fifth Report of the Receiver, filed; and

14. Such further and other materials as counsel may advise and this Honourable Court may permit.

**Applicable Rules:**

15. The *Alberta Rules of Court*, AR 124/2010

**Applicable Acts and Regulations**

16. *Bankruptcy and Insolvency Act*, RSC 1985, C. B-3, as amended

17. *Judicature Act* RSA 2000, c. J-2

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

18. None

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

19. In person, before the Honourable Justice in Commercial Court, on evidence with some or all of the parties present.

**AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT**

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order the Court makes. If you want to take part in the 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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant a reasonable time before the application is to be heard or considered.