



CLERK OF THE COURT
FILED
AUG 10 2017
JUDICIAL CENTRE
OF CALGARY

Clerk's stamp:

COURT FILE NUMBER	1501-12220
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ALBERTA TREASURY BRANCHES
RESPONDENT	COGI LIMITED PARTNERSHIP, CANADIAN OIL & GAS INTERNATIONAL INC., CONSERVE OIL GROUP INC. AND CONSERVE OIL 1 ST CORPORATION
DOCUMENT	<u>SEVENTH REPORT OF THE RECEIVER</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	G. Brian Davison, Q.C. DLA Piper (Canada) LLP, 250 2 nd Street SW, Suite 1000 Livingston Place West Calgary, AB T2P 0C1 Phone: 403-294-3590 Fax: 403-776-8864 E-mail: brian.davison@dlapiper.com File No. 16155-00002



LICENSED INSOLVENCY TRUSTEES
1500, 640 - 5TH AVENUE SW, CALGARY AB, T2P 3G4
1.877.500.0792 P: 403.538.3187 F: 403.537.8437 MNPdebt.ca

APPENDICES

APPENDIX A: Statement of Receipts and Disbursements for the Period ending June 30, 2017

INTRODUCTION AND BACKGROUND

1. MNP Ltd. (the "**Receiver**") was appointed as Receiver and Manager of COGI Limited Partnership ("**COGI LP**"), Canadian Oil & Gas International Inc. ("**COGI Inc.**") and Conserve Oil Group Inc. ("**Conserve**") (collectively "**COGI**" or the "**Companies**") pursuant to an October 26, 2015 Court of Queen's Bench of Alberta Order (the "**Receivership Order**").
2. MNP was further appointed Receiver of the assets and undertakings of Conserve Oil 1st Corporation ("**COC1**") on January 6, 2016.
3. COGI LP is a limited partnership pursuant to the laws of the province of Alberta. COGI Inc. is the general partner of COGI LP. The limited partners of COGI LP represent between 14,000 and 18,000 German investors.
4. The only business of COGI Inc. is as general partner of COGI LP and to hold title to various assets for the benefit of COGI LP.
5. Conserve is a private company and the 100% shareholder of COGI Inc. as well as several other companies.
6. This is the Receiver's seventh report to the Court (the "**Seventh Report**" which should be read in conjunction with the Receiver's prior Reports. Capital terms not defined in this Seventh Report are as defined in prior Reports or the Receivership Order. All references to currency are in Canadian dollars unless otherwise stated.
7. In preparing the Seventh Report and making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of COGI, the books and records of COGI, and information from other third-party sources (collectively, the "**Information**"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada.
8. Copies of the relevant documents relating to these proceedings are available on the Receiver's website at www.mnpdebt.ca/cogi.

PURPOSE OF THE REPORT

9. The purpose of the Seventh Report is to provide this Honourable Court with an update as to the Receiver's activities, including the Receiver's comments and information in respect of:
 - (i) Activities of the Receiver since the date of the Sixth Report, including fees and disbursements incurred by the Receiver, its agent and counsel; and
 - (ii) A proposed distribution of sale proceeds arising from the sale of property located in Lamont County, Alberta ("**the Lamont Sale**").

ACTIVITIES OF THE RECEIVER

10. Since its last Report, the Receiver has:
- (i) Together with its consultant Niven Fischer Energy Management Inc., a Sproule Company, continued to operate the oil and gas properties of COGI;
 - (ii) Managed the Companies oil and gas assets;
 - (iii) Issued notices of disclaimer to the AER and the Ministry of Energy of Saskatchewan with respect to certain oil and gas leases and interests;
 - (iv) Obtained Court approval for the Lamont Sale and closed that transaction;
 - (v) Demanded repayment of a note receivable owing to COC1 and entered into a forbearance agreement with respect thereof;
 - (vi) Continued in efforts to collect outstanding accounts receivable;
 - (vii) Continued work on oil and gas recompletion opportunities; and
 - (viii) Held further discussions and negotiations with Proven Oil Asia Ltd. and Arrow Point Oil & Gas Ltd. regarding outstanding material receivables.

DISTRIBUTION OF PROCEEDS FROM LAMONT SALE

11. On March 27, 2017, the Court granted a sale approval and vesting order with respect to the Lamont Sale.
12. On or about April 20, 2017, the Lamont Sale was closed and concluded, and a Receiver's certificate was accordingly filed.
13. As a result of the closing of the Lamont Sale, the Receiver is holding net proceeds of \$2,108,206.33 ("the Lamont Sale Proceeds").
14. The Receiver has obtained a security opinion from its counsel, DLA Piper Canada LLP, which confirms that the assets and undertakings of COGI are subject to a valid and enforceable security charge in favour of Alberta Treasury Branch ("ATB").
15. The Receiver proposes to make an interim distribution of the Lamont Sale Proceeds to ATB as a partial repayment of secured loans owing by COGI to ATB as at the date of the Receivership Order.
16. The Receiver continues to operate the remaining COGI assets and explore opportunities to realize on those assets through a sales process or otherwise.

INTERIM RECEIPT AND DISBURSEMENTS

17. Attached hereto as Appendix "A" is a copy of the Receipts and Disbursement Statement for the period ending June 30, 2017 ("the R&D Statement"). Included as Schedule 2 to the R&D Statement is a breakdown of professional fees and

disbursements to MNP Ltd., as Receiver and Manager, and DLA Piper (Canada) LLP's fees and disbursements as legal counsel,.

18. The administration of the Receivership has been complicated by the complex corporate structure of the Companies, which has been described in previous Reports. The Receiver and its counsel have undertaken a review of the affairs of over 30 corporations and over 12 limited partnerships, both in Germany and Canada. Prior to the Receivership, there were numerous asset and share transactions between COGI and subsidiary or related corporations. As a result, when the Receiver was appointed, COGI was listed as the licensee for over 1000 oil and gas well licences and 80 facility licences, even though beneficial title to many of these properties had been transferred and COGI was operating these properties under trust or contract operator arrangements. The Receiver encountered difficulty in accessing financial records and documents and information located on third party computer servers. The Receiver and its counsel have conducted interviews and reviewed documents from numerous sources in order to collect evidence and information with respect to the affairs of COGI.
19. The Receiver's counsel has, on behalf of the Receiver, commenced actions or settled claims in order to collect outstanding accounts receivable and other debts. In addition, the Receiver, its agent and counsel have dealt with operational issues, working interest owners, municipalities, regulators, creditors, land and royalty owners, and conducted a sales process and negotiations with potential purchasers. Many of the oil and gas properties had been shut in prior to the Receivership, and either required workovers for deferred maintenance and repair, or were determined to be uneconomic and have been disclaimed by the Receiver. Some of these matters have been resolved, but many of these issues and investigations are ongoing, and the Receiver and its counsel anticipate that further fees and professional fees will be incurred during the course of the Receivership. Copies of the underlying invoices with respect to the fees and disbursements of the Receiver will be available to the Court at the hearing, if required.
20. The Receiver has reviewed the accounts of DLA Piper (Canada) LLP described in Schedule 2 of the R&D Statement, which include a description of services rendered, time spent, hourly rates and seniority of the professionals involved, and believes that the work was properly delegated to a party of the appropriate seniority and the work was completed efficiently and economically. The Receiver further believes that based on its review, the fees and expenses were properly incurred, fair and reasonable, and are consistent with market rates for firms providing similar services on matters of similar complexity in Alberta. Copies of the underlying invoices of DLA Piper (Canada) LLP will be available to the Court at the hearing, if required.
21. As many of the COGI properties were shut in or uneconomic, the Receiver has had to obtain financing through Receiver's Borrowings in order to fund the continued operations of the Receivership. ATB, the priority secured lender and lender pursuant to the Receiver's Certificate, supports this application and the fees incurred by the Receiver and counsel.
22. ATB is currently owed approximately in excess of \$34,000,000 plus interest from COGI with respect to secured loans, and \$5.9 million with respect to Receiver's Certificates. The Receiver anticipates that the value of the COGI assets, which may be realized through the Receivership, will not be sufficient to payout the ATB indebtedness, and ATB will suffer a substantial shortfall.

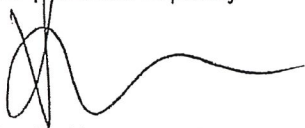
CONCLUSION

23. Based upon the foregoing the Receiver seeks the Court's approval for the following;
- (i) The activities of the Receiver as described in this Report;
 - (ii) The fees and disbursements of the Receiver and its counsel as described in this Report ;
 - (iii) An order approving the distribution of the Lamont Sale Proceeds to ATB.

All of which is respectfully submitted this 9th day of August, 2017.

MNP Ltd.

In its capacity as Receiver-Manager of
COGI Limited Partnership, Canadian Oil & Gas International Inc.,
Conserve Oil Group Inc. and Conserve Oil 1st Corporation
and not in its personal capacity



Per: Victor P. Kroeger, CIRP, LIT, CPA, CA, CFE
Senior Vice President

CAN: 25164765.1

APPENDIX "A"

**COGI Limited Partnership, Canadian Oil & Gas International Inc. and Conserve Oil
Group Inc. - In Receivership**

**Interim Statement of Receipts and Disbursements
For the Period October 26, 2015 to June 30, 2017**

	October 26/15 June 30/17 \$
Receipts	
Net Receipts from Operations (Schedule 1)	792,120.40
Receiver's Certificate	5,900,000.00
Cash in Bank	1,491,497.38
Cash in Bank - Proven Oil Canada	845.00
Interest Income	1,990.24
Rental Income	71,389.30
Accounts Receivable	428,539.41
Sale of Assets	3,128,652.79
Settlement Funds (Bentley)	153,751.96
Miscellaneous Refunds	9,614.25
GST Collected (Net)	394,594.97
Total Receipts	12,372,995.70
Disbursements	
Bank Charges	1,381.74
Filing Fees	280.00
Interest Expense	313,983.29
Change of locks	247.50
Pre-Receiver's Payroll	64,404.50
Legal Fees and Disbursements (Schedule 2)	1,761,023.60
Consulting Services - Niven Fischer Energy Services Inc.	3,620,215.23
Receiver's Fees (Schedule 2)	1,611,220.00
CCAA Administration Charge (Schedule 3)	200,000.00
Payments to Arrow Point and POA	435,175.48
Funds transferred to bky estate	42,800.71
Funds Paid in Escrow	163,751.96
GST Remittance	81,346.53
Total Disbursements	8,295,830.54
Excess of Receipts over Disbursements	4,077,165.16
Represented By:	
General Bank Account	575,182.43
Funds Held in Interest Bearing Account	3,501,982.73
	4,077,165.16

COGI Limited Partnership, Canadian Oil & Gas International Inc. and Conserve
Oil Group Inc. - In Receivership

Interim Statement of Receipts and Disbursements

Net Receipts from Operations
For the Period October 26, 2015 to June 30, 2017

	October 26/15 June 30/17 \$
Receipts	
Net Revenues	22,889,921.82
Total Receipts	<u>22,889,921.82</u>
 Disbursements	
Consulting Services	48,941.52
Operating Expenses	15,490,536.04
Payroll Services	130.20
Insurance	228,233.25
General and Administration Charges	38,875.72
Occupation Rent	278,471.24
Telephone and Utilities	1,640,022.81
Property Taxes	5,952.95
Royalty and Lease Payments	4,366,637.69
Total Disbursements	<u>22,097,801.42</u>
Net Receipts from Operations	<u>792,120.40</u>

COGI Limited Partnership, Canadian Oil & Gas International Inc. and Conserve Oil Group Inc. - In Receivership

Summary of Professional Fees and Disbursements
For the Period October 26, 2015 to June 30, 2017

Description	Invoice Number	Invoice Date	Fees \$	Disbursements \$	Subtotal \$	GST \$	Total \$	Amount Paid (Net of GST) \$
MNP Ltd.'s Fees and Disbursements (Receiver & Manager)								
For the period October 22, 2015 to November 30, 2015	7476289	08-Dec-15	243,882.00	786.40	244,668.40	12,233.42	256,901.82	244,668.40
For the period December 1, 2015 to December 31, 2015	7498217	15-Jan-16	107,065.50	252.30	107,317.80	5,365.89	112,683.69	107,317.80
For the period January 1, 2016 to January 31, 2016	7519153	10-Feb-16	132,800.00	332.92	133,132.92	6,656.65	139,789.57	133,132.92
For the period February 1, 2016 to February 29, 2016	7550152	10-Mar-16	97,651.50	92.93	97,744.43	4,887.22	102,631.65	97,744.43
For the period March 1, 2016 to March 31, 2016	7593865	08-Apr-16	100,361.50	52.82	100,414.32	5,020.72	105,435.04	100,414.32
For the period April 1, 2016 to April 30, 2016	7656952	06-May-16	87,595.00	-	87,595.00	4,379.75	91,974.75	87,595.00
For the period May 1, 2016 to May 31, 2016	7689446	07-Jun-16	104,389.50	5,861.79	110,251.29	5,512.56	115,763.85	110,251.29
For the period June 1, 2016 to June 30, 2016	7720384	22-Jul-16	104,184.00	3,221.18	107,405.18	5,370.26	112,775.44	107,405.18
For the period July 1, 2016 to July 31, 2016	7736834	19-Aug-16	71,841.00	1,806.82	73,647.82	3,682.39	77,330.21	73,647.82
For the period August 1, 2016 to August 31, 2016	7751525	12-Sep-16	81,432.50	950.92	82,383.42	4,119.17	86,502.59	82,383.42
For the period March 1, 2016 to August 31, 2016 (Bankruptcy)	7753633	14-Sep-16	20,879.50	-	20,879.50	1,043.98	21,923.48	20,879.50
For the period September 1, 2016 to September 30, 2016	7782094	25-Oct-16	90,298.00	27.64	90,325.64	4,516.28	94,841.92	90,325.64
For the period October 1, 2016 to October 31, 2016	7790157	04-Nov-16	38,497.50	38.97	38,536.47	1,925.82	40,462.29	38,536.47
For the period November 1, 2016 to November 30, 2016	7819826	14-Dec-16	64,805.50	20.05	64,825.55	3,241.28	68,066.83	64,825.55
For the period December 1, 2016 to December 31, 2016	7837465	13-Jan-16	51,814.00	105.95	51,919.95	2,596.00	54,515.95	51,919.95
For the period January 1, 2017 to January 31, 2017	7864004	14-Feb-17	68,651.00	38.98	68,689.98	3,434.50	72,124.48	68,689.98
For the period February 1, 2017 to February 28, 2017	7901777	16-Mar-17	53,992.00	74.10	54,066.10	2,703.30	56,769.40	54,066.10
For the period March 1, 2017 to March 31, 2017	7936852	06-Apr-17	47,746.00	35.23	47,781.23	2,389.06	50,170.29	47,781.23
For the period April 1, 2017 to April 30, 2017	8015200	11-May-17	29,622.00	13.00	29,635.00	1,481.75	31,116.75	29,635.00
For the period May 1, 2017 to May 31, 2017	8060968	27-Jun-17	46,443.50	51.51	46,495.01	2,324.75	48,819.76	-
For the period June 1, 2017 to June 30, 2017	8078386	14-Jul-17	54,196.50	46.59	54,243.09	2,712.15	56,955.24	-
SubTotal - MNP Ltd.'s Fees and Disbursements			1,698,148.00	13,810.10	1,711,958.10	85,597.90	1,797,556.00	1,611,220.00
DLA Piper (Canada) LLP (Legal Counsel)								
For the period October 27, 2015 to November 15, 2015	1589698	19-Nov-15	95,517.50	1,023.61	96,541.11	4,798.61	101,339.72	96,541.11
For the period October 30, 2015 to November 30, 2015	1596501	10-Dec-15	95,691.50	3,013.27	98,704.77	4,925.98	103,630.75	98,704.77
For the period November 30, 2015 to December 15, 2015	1598036	21-Dec-15	70,535.50	981.79	71,517.29	3,562.62	75,079.91	71,517.29
For the period December 1, 2015 to December 31, 2015	1604137	21-Jan-16	96,994.50	1,398.93	98,393.43	4,908.75	103,302.18	98,393.43
For the period January 4, 2016 to January 15, 2016	1604138	21-Jan-16	69,916.50	651.64	70,568.14	3,519.11	74,087.25	70,568.14
For the period January 8, 2016 to January 29, 2016	1610068	11-Feb-16	49,458.00	545.76	50,003.76	2,478.74	52,482.50	50,003.76
For the period Feb 1, 2016 to Feb 14, 2016	1611509	23-Feb-16	53,527.50	624.99	54,152.49	2,687.15	56,839.64	54,152.49

COGI Limited Partnership, Canadian Oil & Gas International Inc. and Conserve Oil Group Inc. - In Receivership

Summary of Professional Fees and Disbursements
For the Period October 26, 2015 to June 30, 2017

Description	Invoice Number	Invoice Date	Fees \$	Disbursements \$	Subtotal \$	GST \$	Total \$	Amount Paid (Net of GST) \$
For the period February 16, 2016 to February 29, 2016	1614370	14-Mar-16	48,046.00	317.06	48,363.06	2,415.55	50,778.61	48,363.06
For the period February 29, 2016 to March 15, 2016	1616807	31-Mar-16	58,291.50	1,238.00	59,529.50	2,954.20	62,483.70	59,529.50
For the period February 29, 2016 to March 15, 2016	1616809	31-Mar-16	15,617.50	-	15,617.50	780.88	16,398.38	15,617.50
For the period March 16, 2016 to April 15, 2016	1623067	28-Apr-16	60,258.50	1,029.99	61,288.49	3,041.19	64,329.68	61,288.49
For the period March 18, 2016 to April 15, 2016	1623070	28-Apr-16	45,170.00	66.00	45,236.00	2,261.81	47,497.81	45,236.00
For the period April 17, 2016 to May 23, 2016	1630183	31-May-16	3,502.50	2,168.95	5,671.45	283.58	5,955.03	5,671.45
For the period April 7, 2016 to May 25, 2016	1630192	31-May-16	108,993.00	59,593.45	168,586.45	5,459.12	174,045.57	168,586.45
For the period May 20, 2016 to June 24, 2016	1637232	30-Jun-16	9,940.00	828.58	10,768.58	538.44	11,307.02	10,768.58
For the period June 7, 2016 to June 17, 2016	1637233	30-Jun-16	2,620.00	-	2,620.00	131.00	2,751.00	2,620.00
For the period May 12, 2016 to June 24, 2016	1637235	30-Jun-16	70,096.50	29,805.26	99,901.76	3,525.06	103,426.82	99,901.76
For the period June 25, 2016 to July 22, 2016	1643970	28-Jul-16	1,140.00	-	1,140.00	57.00	1,197.00	1,140.00
For the period June 21, 2016 to July 26, 2016	1643971	28-Jul-16	24,832.50	12,357.41	37,189.91	1,859.01	39,048.92	37,189.91
For the period June 29, 2016 to June 29, 2016	1643972	28-Jul-16	60.00	-	60.00	3.00	63.00	60.00
For the period July 12, 2016 to August 11, 2016	1653392	02-Sep-16	4,780.00	443.70	5,223.70	261.20	5,484.90	5,223.70
For the period July 4, 2016 to August 29, 2016	1653433	02-Sep-16	62,012.50	348.56	62,361.06	3,117.91	65,478.97	62,361.06
For the period August 2, 2016 to September 28, 2016	1657284	30-Sep-16	77,377.50	332.83	77,710.33	3,879.46	81,589.79	77,710.33
For the period September 6, 2016 to October 28, 2016	1664121	31-Oct-16	42,010.00	425.93	42,435.93	2,111.80	44,547.73	42,435.93
For the period September 7, 2016 to October 3, 2016	1664103	31-Oct-16	8,792.50	7.50	8,800.00	440.01	9,240.01	8,800.00
For the period October 5, 2016 to November 25, 2016	1670681	29-Nov-16	67,513.00	2,406.80	69,919.80	3,485.94	73,405.74	69,919.80
For the period October 27, 2016 to December 19, 2016	1677206	21-Dec-16	65,139.50	1,428.57	66,568.07	3,313.49	69,881.56	66,568.07
For the period July 6, 2016 to November 29, 2016	20154623	16-Jan-17	63,573.75	-	63,573.75	-	63,573.75	63,573.75
For the period December 19, 2016 to January 29, 2017	1687416	08-Feb-17	141,715.00	4,888.77	146,603.77	7,265.15	153,868.92	146,603.77
For the period January 30, 2017 to February 24, 2017	1690431	28-Feb-17	55,180.00	2,339.78	57,519.78	2,872.73	60,392.51	57,519.78
For the period February 27, 2017 to March 24, 2017	1700043	04-Apr-17	16,630.00	426.57	17,056.57	840.00	17,896.57	17,056.57
For the period December 8, 2016 to December 30, 2016	20155661	06-Feb-17	47,397.15	-	47,397.15	-	47,397.15	47,397.15
For the period December 12, 2016 to February 28, 2017	20157499	16-Mar-17	55,716.35	1,216.93	56,933.28	-	56,933.28	-
For the period March 3, 2017 to April 28, 2017	1707223	08-May-17	33,234.50	414.65	33,649.15	1,673.69	35,322.84	-
For the period May 1, 2017 to May 29, 2017	1710310	31-May-17	42,968.50	53.91	43,022.41	2,151.94	45,174.35	-
For the period February 1, 2017 to April 25, 2017	20159828	25-Apr-17	16,653.70	16.00	16,669.70	-	16,669.70	-
SubTotal - DLA Piper (Canada) LLP			1,780,902.95	130,395.19	1,911,298.14	81,604.12	1,992,902.26	1,761,023.60

COGI Limited Partnership and Canadian Oil & Gas International Inc. (collectively, "COGI")
 Companies' Creditors Arrangement Act
 Schedule of Outstanding Obligations Covered by the Administration Charge

Payee	Description	Invoice #	Invoice Date	Fees	Disbursements	Sub Total	Pro-Rate %	Pro-Rate Amount	GST	Total Payment	Remaining Balance
MNP Ltd., Monitor	For the period October 1-26, 2015	7447801	28-Oct-15	67,737.50	-	67,737.50	23%	46,939.02	2,346.95	49,285.97	20,798.48
						<u>67,737.50</u>					
D/A Piper (Canada) Ltd., Monitor's Legal Counsel		1589689	19-Nov-15	16,397.50	486.85	16,884.35	6%	11,700.09	585.00	12,285.09	5,184.26
						<u>16,884.35</u>					
Field LLP, COGI's Legal Counsel	For the period June 18 to August 28, 2015	366193	31-Aug-15	46,681.00	312.21	46,993.21					
Field LLP, COGI's Legal Counsel	For the period August 31 to October 19, 2015	370749	20-Oct-15	84,775.00	501.91	85,276.91					
Field LLP, COGI's Legal Counsel	For the period to October 26, 2015	372942	12-Nov-15	15,135.00	423.89	15,558.89					
Less: Retainer Held					(50,000.00)	<u>(50,000.00)</u>					
						<u>97,829.01</u>	34%	67,791.07	3,389.55	71,180.62	30,037.94
Blake, Cassels & Graydon LLP, ATB's Legal Counsel	For the period to September 29, 2015	1866199	30-Sep-15	37,022.00	116.40	37,138.40					
Blake, Cassels & Graydon LLP, ATB's Legal Counsel	For the period to October 30, 2015	1872607	30-Oct-15	68,319.50	710.40	69,029.90					
						<u>106,168.30</u>	37%	73,569.82	-	73,569.82	32,598.48
						<u>\$288,619.16</u>	100%	\$200,000.00	\$6,321.51	\$206,321.51	\$88,619.16

*** Administration Charge is to a maximum of \$200,000.