

COURT FILE NUMBER	1501-12220
COURT	COURT OF QUEEN'S BENCH
JUDICIAL CENTRE	CALGARY
APPLICANT	ALBERTA TREASURY BRANCHES
RESPONDENTS	COGI LIMITED PARTNERSHIP, CANADIAN OIL & GAS INTERNATIONAL INC., CONSERVE OIL GROUP INC. AND CONSERVE OIL 1 ST CORPORATION
DOCUMENT	<u>SIXTEENTH 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 Barristers and Solicitors 1000 250 2 St. S.W. Phone: 403.294-3590 Fax: 403-776-8866 Email: brian.davison@dlapiper.com File No.: 016155-00002

EXHIBITS

EXHIBIT "A"

Current Status of the Retained Licences

EXHIBIT "B"

Emails dated August 21, 2019 Regarding ArrowPoint
Pipeline Licences

INTRODUCTION AND BACKGROUND

1. Pursuant to an October 26, 2015 Order of the Court of Queen's Bench of Alberta (the "Receivership Order"), MNP Ltd. (the "Receiver") was appointed as receiver and manager of COGI Limited Partnership ("COGI LP"), its general partner Canadian Oil & Gas International Inc. ("COGI Inc.") and Conserve Oil Group Inc. ("Conserve"). On November 10, 2015, pursuant to an Order of Justice P.R. Jeffrey, the Receiver's powers were expanded to include powers to manage a number of Conserve's subsidiaries.
2. On December 23, 2015, COGI LP, COGI Inc. and Conserve became bankrupt. The Receiver was appointed to be the Trustee in Bankruptcy of these entities.
3. On January 6, 2016, MNP was also appointed receiver and manager of the assets and undertakings of Conserve Oil 1st Corporation ("COC1" and together with COGI LP, COGI Inc. and Conserve, "COGI" or the "Company").
4. COGI LP is a limited partnership formed pursuant to the laws of the province of Alberta. COGI Inc. is the general partner of COGI LP. Conserve is a private company and the 100% shareholder of COGI Inc. as well as a number of other companies.
5. Conserve Oil 8th Corporation ("Conserve 8th") is a whole owned subsidiary of Conserve that is not in receivership.
6. This is the Receiver's Sixteenth report to the Court (the "Sixteenth Report"), which should be read in conjunction with the Receiver's prior Reports. Capitalized terms not defined herein are as defined in the prior Reports or the Receivership Order. All references to currency are in Canadian dollars unless otherwise stated.
7. In preparing the Sixteenth 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 this Sixteenth Report is to provide this Honourable Court with information with respect to:
 - a) Discharging the Receiver from the care and custody of the wells and pipeline licenses that remain registered in COGI's name according to the records of the Alberta Energy Regulator (the "AER"); and
 - b) Discharging the Receiver from any obligation with respect to any AER licences in the name of Conserve 8th.

SALES AND SALES PROCESS

10. The Receiver advertised the assets where legal and beneficial ownership resided in COGI (the "Assets") for sale in November 2016 and December 2017.
11. The Receiver was able to sell the majority of COGI's Assets to parties, including DEL Canada GP Ltd. ("DEL"), which sales have been described in previous reports and which sales have been approved by Court Orders.

DISCLAIMED ASSETS

12. While the sales processes were underway, the Receiver, by letters to the Alberta Energy Regulator (the "AER"), dated June 7, 2017, February 27, 2018, April 20, 2018 and March 4, 2019, disclaimed those COGI licences (the "COGI Licences") that were deemed to be uneconomic and unsalable.
13. It was the intention of the Receiver to disclaim all COGI Licences that had not been sold to third parties as a result of the sales process. In addition, the disclaimers were to include COGI Licences that had been sold by COGI to others prior to the Receivership Order but which COGI Licences had not been formally transferred.

UNDISCLAIMED ASSETS

14. It was brought to the attention of the Receiver by the AER that some licences remain registered in COGI's name, according to the records of the AER (the "Retained Licences").
15. The Receiver, DEL and the AER have been working through the documents in respect of the Retained Licences to determine the status of same. Attached hereto and marked as Exhibit "A" is a copy of the current status of the Retained Licences.

16. Exhibit "A" identifies, as Comment "A", pipeline licenses that were sold by COGI to Arrow Point Oil and Gas Ltd. ("**Arrow Point**") on or about February 20, 2015, months prior to the Receivership Order.
17. The Receiver's legal counsel communicated with Alex Gramatzki of Arrow Point on August 21, 2019, requesting that Arrow Point complete the transfer of the pipeline segment licences by September 30, 2019 failing which the Receiver would disclaim the applicable licences. Mr. Gramatzki responded the same day advising that those pipeline licenses described in Exhibit "A", Comment "A" are being operated by Mark Coney of Enerstar Petroleum Corporation and/or Marcon Pipelines. Attached as Exhibit "B" is a copy of the email exchange regarding the Arrow Point pi. The Receiver's legal counsel then immediately requested that Mr. Coney respond to the request. The Receiver has not received any reply from Mr. Coney.
18. The other remaining licences in Exhibit "A" are uneconomic and/or unsaleable and the AER has informed the Receiver that these licences cannot be dealt with except by Court Order.

CONSERVE 8th

19. Exhibit "A" also references licences in the name of Conserve 8th. As Conserve 8th is not in receivership, the Receiver has no ability to deal with these licences.

CONCLUSION

20. Based upon the foregoing, the Receiver seeks the Court's approval for an Order:
 - a) abridging, if necessary, the time for service of this Application and deeming service good and sufficient;
 - b) discharging the Receiver from care and custody of the Retained Licences described in this Report;
 - c) declaring the Receiver does not have any liability for the Retained Licences described in this Report;
 - d) declaring that the Receiver has no obligation to deal with licences, nor has any liability regarding the licences, in the name of Conserve 8th; and
 - e) such further and other relief as this Honourable Court may deem just in all of the circumstances.

All of which is respectfully submitted this 11th day of December, 2019.

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

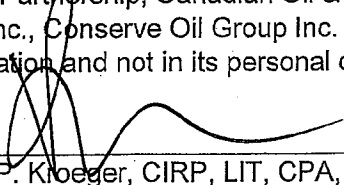

Per: _____
Victor P. Kloeger, CIRP, LIT, CPA, CA, CFE
Senior Vice President

EXHIBIT "A"
Spreadsheet

Nutt, Kim

From: Amy Woo <Amy.Woo@aer.ca>
Sent: Thursday, December 05, 2019 4:27 PM
To: Maria Lavelle
Cc: Davison, Brian; vic.kroeger@mnp.ca; 'Julie Kennedy'; Nutt, Kim
Subject: [EXTERNAL] RE: COGI/ Conserve
Attachments: Receiver Comments on remaining licences.xlsx

Good afternoon,

I've reviewed the spreadsheets sent by Brian, and have consolidated into one spreadsheet, attached.

- I've reviewed the comments from the receiver and have provided responses.
- **Please advise as to the highlighted yellow pipelines in the spreadsheet**
 - There are 7 pipeline segments which I had written in our documents as disclaimed, but I saw no specific date as to when.
 - Can the Receiver please verify if the below segments were previously disclaimed, or will be part of the discharge.
 - **Three of these segments were designated orphan for abandonment.** If the receiver sold those lines, please advise, so I can amend the designation.

Amy Woo

Orphan Sites Specialist, Orphaning & Insolvency
Asset & Liability Transition Management

Alberta Energy Regulator

e amy.woo@aer.ca tel 403-297-8497
Suite 1000, 250 – 5 Street SW, Calgary, Alberta T2P 0R4

inquiries 1-855-297-8311 **24-hour emergency** 1-800-222-6514 www.aer.ca

From: Davison, Brian <brian.davison@dlapiper.com>
Sent: December 5, 2019 11:43 AM
To: Maria Lavelle <Maria.Lavelle@aer.ca>
Cc: Victor P. Kroeger (vic.kroeger@mnp.ca) <vic.kroeger@mnp.ca>; Julie Kennedy <Julie.Kennedy@mnp.ca>; Nutt, Kim <kim.nutt@dlapiper.com>; danh@del-canada.ca
Subject: RE: COGI/ Conserve

Maria,

Thanks for you reply. Attached are additional documents which deal with the COGI/Conserve assets that the Receiver is seeking to be dealt with Dec 20. These documents in addition to those sent to you earlier this morning set out the background.

These documents together with the ones sent earlier, are sent to you on a "without prejudice basis".

G. Brian Davison *

Partner

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F +1 403.776.8864

E brian.davison@dlapiper.com

From: Maria Lavelle <Maria.Lavelle@aer.ca>

Sent: Thursday, December 05, 2019 11:08 AM

To: Davison, Brian <brian.davison@dlapiper.com>

Cc: Victor P. Kroeger (vic.kroeger@mnp.ca) <vic.kroeger@mnp.ca>; Julie Kennedy <Julie.Kennedy@mnp.ca>; Nutt, Kim <kim.nutt@dlapiper.com>; danh@del-canada.ca

Subject: [EXTERNAL] RE: COGI/ Conserve

Thank you Brian. My understanding from our call is that you are planning to file an application with the court to seek partial discharge over the remaining wells and licences that are part of the COGI receivership. As discussed, it would be helpful to have a list of those assets that we could then compare against our records. It would also be helpful to know whether these assets had been part of a sales process. As well as the rationale for the receivership seeking discharge over these assets at this time. I recall that you mentioned the receivership was not yet ready to be wound down. In the meantime, I will work with our C&L team to try and pull together our own records. Given that you are under a tight filing deadline, the more clarity that can be provided as quickly as possible from your side, the better.

Thank you. Regards, Maria

From: Davison, Brian <brian.davison@dlapiper.com>

Sent: December 5, 2019 10:40 AM

To: Maria Lavelle <Maria.Lavelle@aer.ca>

Cc: Victor P. Kroeger (vic.kroeger@mnp.ca) <vic.kroeger@mnp.ca>; Julie Kennedy <Julie.Kennedy@mnp.ca>; Nutt, Kim <kim.nutt@dlapiper.com>; danh@del-canada.ca

Subject: COGI/ Conserve

Maria,

Further to our conversation this morning, I sending you a series of emails with background documents, that hopefully allow you and I to address the licences, etc., that remain registered in the AER system, to COGI or Conserve.

Please feel free to contact me at your convenience

G. Brian Davison *

Partner

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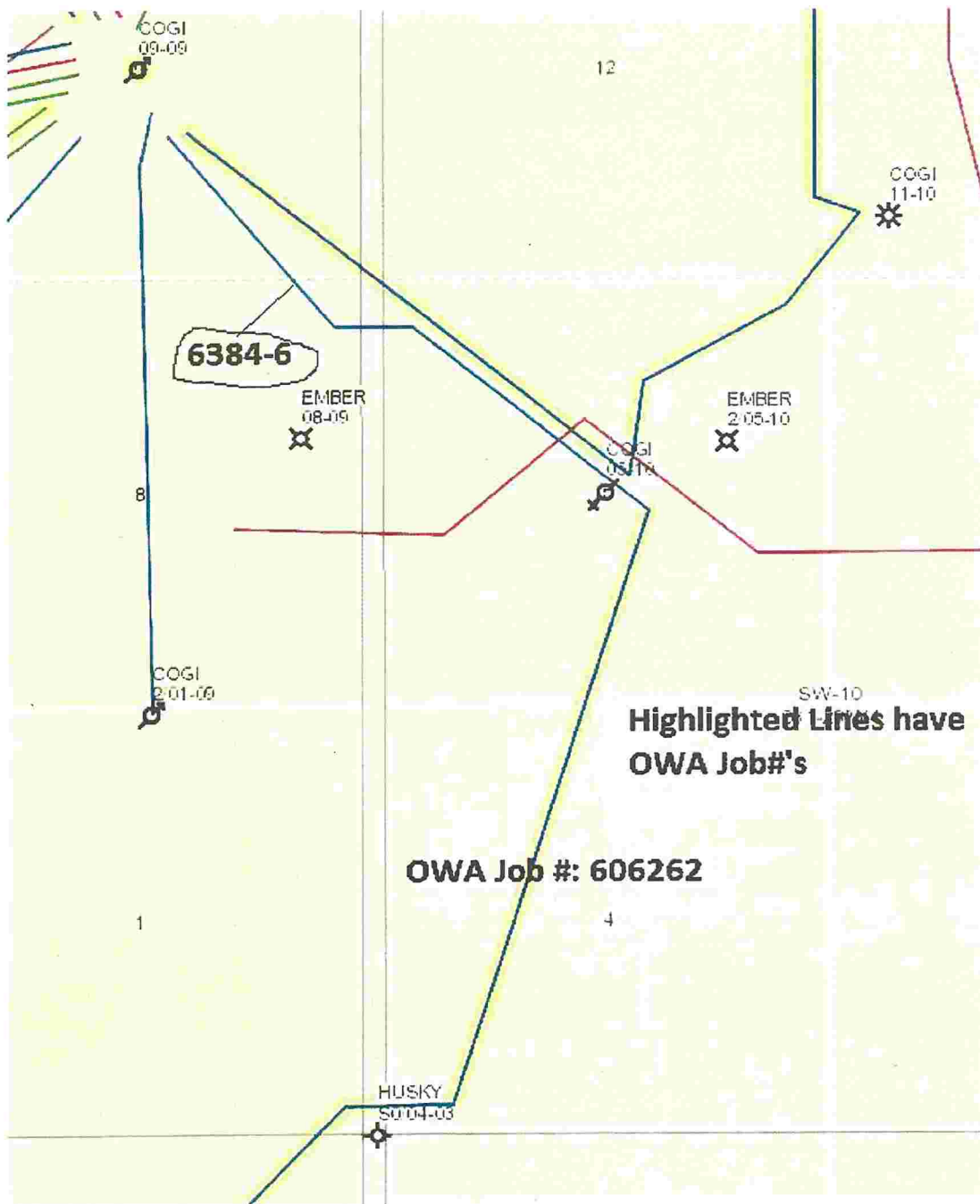
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Licensee Name	License Number	UWI	License Status	COGI Records	Schedule A Number
Canadian Oil & Gas International Inc.	W0158645	00/14-17-038-17W4/0	Abandoned	Disclaimed April 2018	#119
Canadian Oil & Gas International Inc.	W0174733	00/15-18-066-02W4/0	Abandoned	Disclaimed June 2017	#512
Canadian Oil & Gas International Inc.	F38275	07-03-041-27W4	Issued	No record of disclaim	N/A

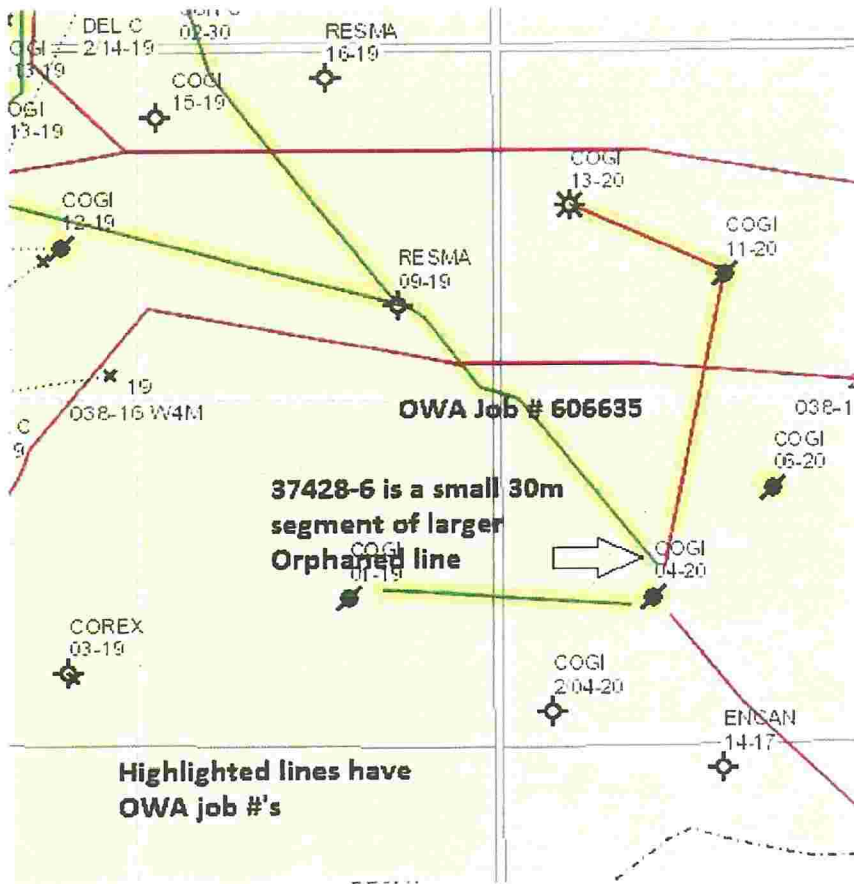
Comments	AER	Receiver Comment
abandoned well with no liability in the DDS.	confirmed	
abandoned well with no liability in the DDS. D This Facility does not seem to exist. There is nothing but a suspended Vesta Energy Ltd. gas well at this site. There is no liability value in the DDS system? How would the AER like to proceed with this?	<p>confirmed More information is needed to determine next steps with regards to this facility.</p> <p>The facility is considered a licence that is under care and custody of the Receiver until it is either transferred or the Receiver is discharged.</p> <p>If the facility was constructed, and then abandoned, thus removing equipment, AER records should be updated to reflect that the facility was abandoned. The facility would also require a reclamation certificate.</p> <p>If the facility was never constructed, then an application can be submitted, with evidence of non-construction, to fix the facility in AER records.</p>	<p>Working on gaining access to the site to show evidence of no construction.</p>

A

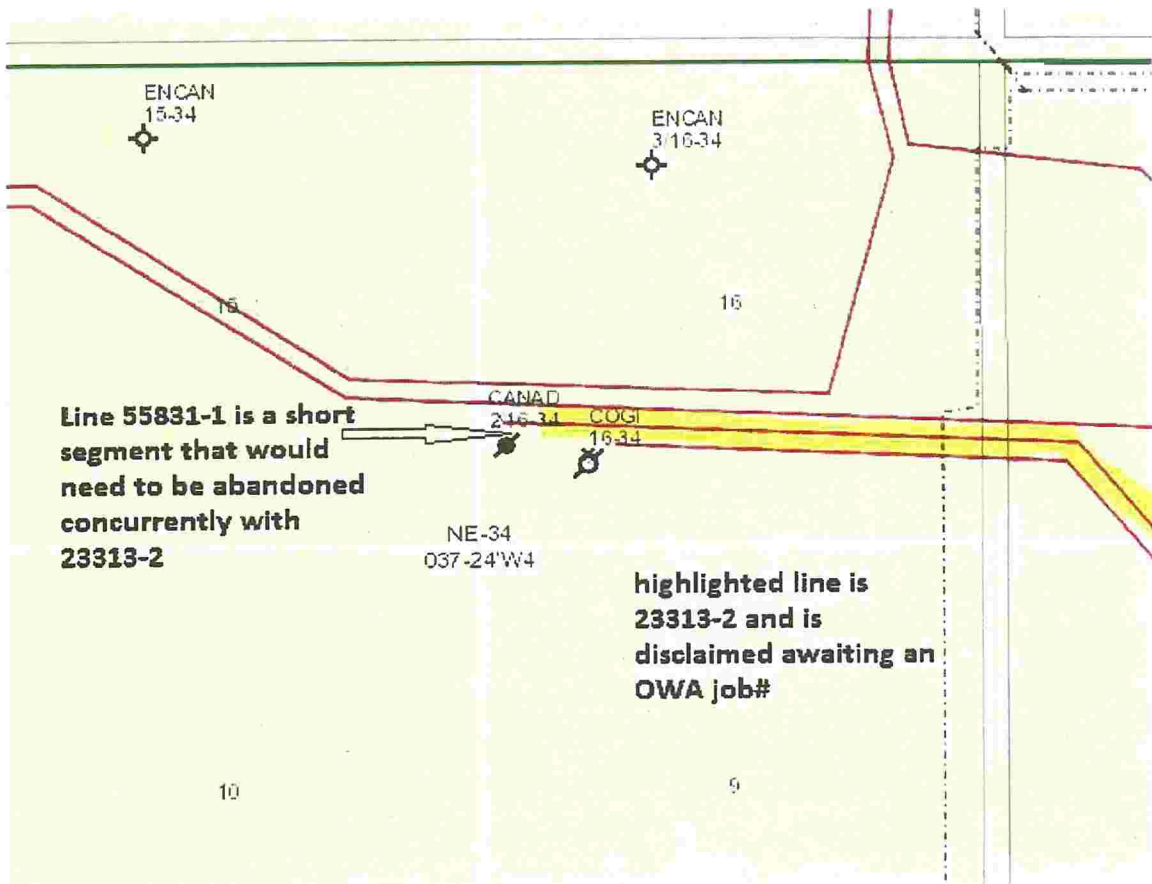


12

B



C



Line 55831-1 is a short segment that would need to be abandoned concurrently with 23313-2

highlighted line is 23313-2 and is disclaimed awaiting an OWA job#

EXHIBIT "B"

Email from Alex Gramatzki of Arrow Point Oil & Gas Ltd. dated August 21, 2019

From: Davison, Brian <brian.davison@dlapiper.com>
Sent: Wednesday, August 21, 2019 4:45 PM
To: Alex Gramatzki <alex@arrowpoint.ca>; Ron Hansford (ron@greenfields-law.com) <ron@greenfields-law.com>; Mark Coney <mark@marconpipelines.com>; Mark Coney <mark@enerstarpetroleum.com>
Cc: Melissa Barg (Redwater@aer.ca) <Redwater@aer.ca>; Victor P. Kroeger (vic.kroeger@mnp.ca) <vic.kroeger@mnp.ca>; Melissa.barg@aer.ca; Nutt, Kim <kim.nutt@dlapiper.com>
Subject: RE: Taber Pipelines

Mark, please get back to me.

G. Brian Davison *
Partner

T +1 403.294.3590
F +1 403.776.8864
E brian.davison@dlapiper.com

From: Alex Gramatzki <alex@arrowpoint.ca>
Sent: Wednesday, August 21, 2019 4:43 PM
To: Davison, Brian <brian.davison@dlapiper.com>; Ron Hansford (ron@greenfields-law.com) <ron@greenfields-law.com>; Mark Coney <mark@marconpipelines.com>; Mark Coney <mark@enerstarpetroleum.com>
Cc: Melissa Barg (Redwater@aer.ca) <Redwater@aer.ca>; Victor P. Kroeger (vic.kroeger@mnp.ca) <vic.kroeger@mnp.ca>; Melissa.barg@aer.ca; Nutt, Kim <kim.nutt@dlapiper.com>
Subject: [EXTERNAL] RE: Taber Pipelines

Hey Brian,

Mark Coney and his company are operating the Taber area. If they need the pipeline then they should accept the transfer. If not then disclaim it.

Alexander Gramatzki

From: Davison, Brian <brian.davison@dlapiper.com>
Sent: Wednesday, August 21, 2019 4:10:46 PM
To: Alex Gramatzki <alex@arrowpoint.ca>; Ron Hansford (ron@greenfields-law.com) <ron@greenfields-law.com>
Cc: Melissa Barg (Redwater@aer.ca) <Redwater@aer.ca>; Victor P. Kroeger (vic.kroeger@mnp.ca) <vic.kroeger@mnp.ca>; Melissa.barg@aer.ca <Melissa.barg@aer.ca>; Nutt, Kim <kim.nutt@dlapiper.com>
Subject: Taber Pipelines

Alex,

Attached is information regarding 8 pipeline segments which Arrow Point is using and which were previously brought to Arrow Point's attention, according to Brian Carnahan's email below and the enclosed attachment. The Receiver wishes to resolve this issue before the end of September. If Arrow Point has not initiated the transfer process and provided confirmation of same to my office on or before September 30, the Receiver intends to disclaim same by notice to Melissa Barq at the AER.

As this transaction occurred before the receivership, the Receiver is not in any way responsible or liable for these pipelines.

We look forward to hearing from you or Mr. Hansford

G. Brian Davison *

Partner

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F +1 403.776.8864

E brian.davison@dlapiper.com

On Jun 5, 2019, at 6:08 AM, Brian Carnahan <Brian.Carnahan@sroule.com> wrote:

Hi Vic,

There are 8 pipeline segments in Taber that are licensed to COGI that are part of the assets that COGI sold to Arrow Point prior to Receivership. The well and facility licenses for Taber were transferred to Arrow Point but the pipeline licenses were not. I believe we tried to transfer the pipeline licenses to Arrow Point but I no longer any records and it appears the license transfers were not completed.

I agree with Charlie's recommendation to initiate a transfer of the pipeline licenses to Arrow Point. If they do not agree to accept the transfers they will need to shut-in their Taber production.

F. Brian Carnahan, P.Eng.
Senior VP, Asset Operations

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C +1 403 660 3635

From: Victor Kroeger <Victor.Kroeger@mnp.ca>

Sent: Tuesday, June 04, 2019 3:32 PM

To: Brian Carnahan <Brian.Carnahan@sroule.com>

Cc: Brian Davison <brian.davison@dlapiper.com>; ryan.algar@dlapiper.com

Subject: Fwd: [EXTERNAL] Taber Pipelines

Brian, can you please look at Charlie's email below and advise.

Thanks

Vic

Sent from my iPad

line."

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Nutt, Kim

From: Charlie Chapman <cwchap@chapeng.ab.ca>
Sent: Thursday, June 06, 2019 4:51 PM
To: karend@arrowpoint.ca
Cc: Karin Stein; Victor P. Kroeger (vic.kroeger@mnp.ca); Davison, Brian
Subject: [EXTERNAL] Oil effluent pipelines in Taber field.
Attachments: MapExport - Taber pipelines.PDF

Karen; We are contacting you on behalf of MNP who, as you might know, are acting as the receiver for COGI. The receivership is approaching its final stages and based on our review we have discovered a group of pipelines in the Taber field that Arrow Point is producing its oil wells through, but which are still licensed to COGI. It appears that COGI still owns the pipelines and we are proposing the Arrow Point purchase these lines from COGI and accept a transfer of the well licenses. COGI would accept a purchase price of \$50,000 for the pipelines and in return would waive any transmission fees for the use of the pipeline over the past several years. COGI will also initiate a license transfer on the DDS, which Arrow Point would need to accept under the usual procedure.

If you would be amenable to this proposal please let us know and we will prepare the documentation and initiate the transfer.

A summary of the lines and a map are attached.

Thank you for your attention to this matter.

38581 - 1	CANADIAN OIL & GAS INTERNATIONAL INC.	OCT 28 1980	9-1-8-18W4 WE	12-6-8-15W4 B	0.34	O	OE	0	88.9	3.18	S	5L	B	2070	W	U	12	TABER SOUTHEAST	Not Disclaimed
38581 - 2	CANADIAN OIL & GAS INTERNATIONAL INC.	OCT 28 1980	1-1-8-18W4 WE	12-6-8-15W4 B	0.99	O	OE	0	88.9	3.18	S	5L	B	2070	W	U	12	TABER SOUTHEAST	Not Disclaimed
38581 - 3	CANADIAN OIL & GAS INTERNATIONAL INC.	OCT 28 1980	10-6-8-15W4 WE	12-6-8-15W4 B	0.7	O	OE	0	88.9	3.18	S	5L	B	2070	W	U	12	TABER SOUTHEAST	Not Disclaimed
38581 - 4	CANADIAN OIL & GAS INTERNATIONAL INC.	OCT 28 1980	5-6-8-15W4 WE	12-6-8-15W4 B	0.3	O	OE	0	88.9	3.18	S	5L	B	2070	W	U	12	TABER SOUTHEAST	Not Disclaimed
38581 - 5	CANADIAN OIL & GAS INTERNATIONAL INC.	OCT 28 1980	4-6-8-15W4 WE	12-6-8-15W4 B	0.7	O	OE	0	88.9	3.18	S	5L	B	2070	W	U	12	TABER SOUTHEAST	Not Disclaimed

36881 - 6	CANADIAN OIL & GAS INTERNATIONAL INC.	JAN 2 1997	6-7-8-15W4 WE	12-8-8-15W4 B	1.7	O	OE	0	88.9	3.2	S	Z245.1	2901	4860	W	U	24	TABER SOUTHEAST	Not Disclaimed
51912 - 1	CANADIAN OIL & GAS INTERNATIONAL INC.	DEC 1 2010	7-6-8-15W4 WE	12-8-8-15W4 B	1.18	O	OE	25.7	97	10	G	FPLP	301	4860	M	U	0	TABER SOUTHEAST	Not Disclaimed
51917 - 1	CANADIAN OIL & GAS INTERNATIONAL INC.	DEC 2 2010	12-8-8-15W4 B	7-6-8-15W4 PL	1.18	O	FG	0	60.3	6.7	P	3608	9	1030	B	U	37	TABER SOUTHEAST	Not Disclaimed

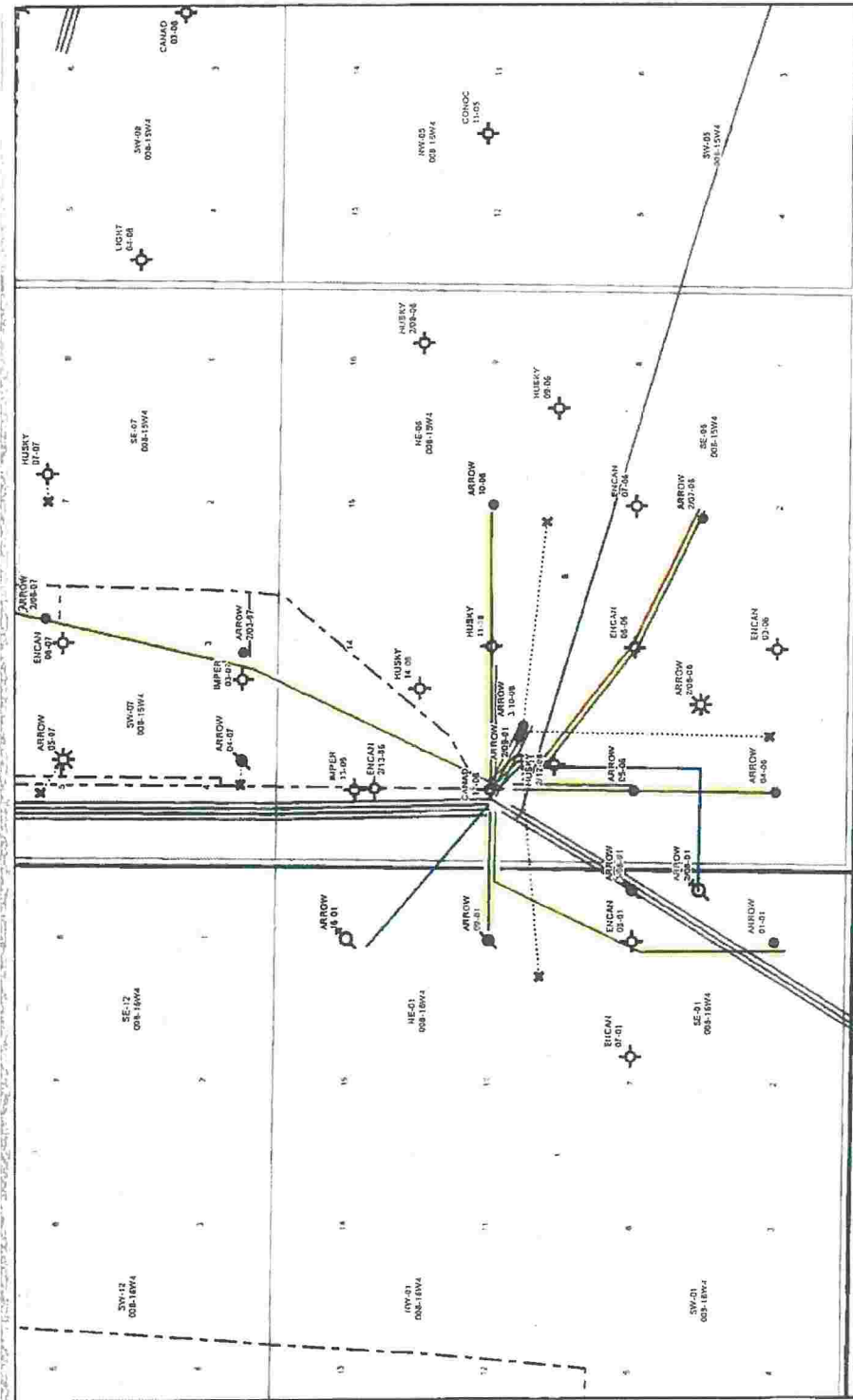
Thanks
Josh

C.W. (Charlie) Chapman, P.Eng.
President

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<http://www.chapeng.ab.ca>



Thursday, June 6, 2019

1:114,763

