

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<sup>ST</sup>

CORPORATION

**DOCUMENT** 

SIXTEENTH REPORT OF THE RECEIVER

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

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File No.: 016155-00002

Fax: 403-776-8866





# **EXHIBITS**

EXHIBIT "A"

**Current Status of the Retained Licences** 

EXHIBIT "B"

Emails dated August 21, 2019 Regarding ArrowPoint Pipeline Licences



### INTRODUCTION AND BACKGROUND

- 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 8<sup>th</sup> Corporation ("Conserve 8<sup>th</sup>") 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 <a href="https://www.mnpdebt.ca/cogi">www.mnpdebt.ca/cogi</a>.



#### 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 <bri>hrian.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

T +1 403.294.3590 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 <bri>hrian.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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<sup>\*</sup> Professional Corporation

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	License				Schedule A
Licensee Name	Number	IMO	License Status	COGI Records	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

Confirmed  Confirmed  More information is needed to determine next steps with regards to this facility.  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.  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 this site.  If the facility was never constructed, then an application can be submitted, with evidence of nonconstruction, to fix the facility in AER records.			September 1
confirmed  confirmed  More information is needed to determine next steps with regards to this facility.  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.  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 site.  If the facility was never constructed, then an application can be submitted, with evidence of nonconstruction, to fix the facility in AER records.	The second secon		
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Confirmed  More information is needed to determine next steps with regards to this facility.  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.  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 site.  If the facility was never constructed, then an application can be submitted, with evidence of nonconstruction, to fix the facility in AER records.	abandoned well with no liability in the DDS.	confirmed	
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.  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 this site.  If the facility was never constructed, then an application can be submitted, with evidence of nonconstruction, to fix the facility in AER records.	abandoned well with no liability in the DDS. D	confirmed	
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.  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 this site.  If the facility was never constructed, then an application can be submitted, with evidence of nonconstruction, to fix the facility in AER records.		More information is needed to determine next steps with regards to this facility.	
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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 e is nothing but reclamation certificate.  It this site.  If the facility was never constructed, then an application can be submitted, with evidence of nonconstruction, to fix the facility in AER records.			Working on gaining access to the
should be updated to reflect that the facility was abandoned. The facility would also require a time is nothing but reclamation certificate.  t this site.  If the facility was never constructed, then an application can be submitted, with evidence of nonconstruction, to fix the facility in AER records.		If the facility was constructed, and then abandoned, thus removing equipment, AER records	site to show evidence of no
e is nothing but r t this site. em? How		should be updated to reflect that the facility was abandoned. The facility would also require a	construction.
t this site.	This Facility does not seem to exist. There is nothing bu	t reclamation certificate.	
MoH Eme	a suspended Vesta Energy Ltd. gas well at this site.		
	There is no liability value in the DDS system? How	If the facility was never constructed, then an application can be submitted, with evidence of non-	
	would the AER like to proceed with this?	construction, to fix the facility in AER records.	

	21673		Operating	04.29.053.17WS	02-29-053-17WS	21673 . 1	MREF	-	Februar			
		1	Name and Address of the Owner, where	02.42.000.000				1	7			
	23214			06-03-053-17WS	14-02-053-17WS	23214 - 1	MREF	T	Edson			
	23214 5	2	_	06 20 053-17WS	06-20-053-17WS	23214 - 5	WREF		Edson			
	23214	,	Discontinued	16-17-053-17W5	14-17-053-17W5	23214 - 4	MREF	Comment C - Ties into suspended Long Run Exploration well	Edison			
	23214	9	Abandoned	16.30.053.17WS	03-32-053-17W5	23214 - 6	MREFI	Energy Ligarized well	Edson			
	00000		Contains	04:22:033:24W4	OS 30 033 24W4	26200 - 1	MREFI	Associated With a suspended Arrowpoint Gas Well in Twinning field COGI had no production flowing down this line	Twensing			
	PICEC		2	03-31-038-16W4	06-31-038-16W4	27214 - 2	MREFI	Disclaimed 2017-06-01		Confirmed		ok
	20000			05.31.038.16W6	02-31-038-16W4	28654 - 1	MREFI	Water injection line from battery to CDGI disclaimed well at 03-31- 038-16w4.	Halkrik			
	20024		land.	OR 31 038 16WA	06-31-038-16W4	29129 7	WREF	Disclaimed 2017-06-01		Confirmed		ok
	23404			04-30 038-16W4	06.30-038-16W4	33494 . 1	MRSFF	Oil time associated with Discialmed COGI well at 04-30-038-16w4	Halkrik			
	2000			NW1.050.50.10	06.02-039-18W4	36834 - 2	WREFT	Disclaimed 2017-06-01		Confirmed		ok
	37634			01-19 038-16W4	04-20-038-16W4	37428 - 3	MREFI	Discialmed 2017-06-01		Confirmed		ok
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	37428	9.0	Operating	04-20 038 16W4	12-05-068-15W4	38581 2	MREF	Comment A	Taber			
	4000	4 4	Onerating	04-06-058-15W4	12-06-006-15W4	38581 - 5	MHEF	Comment A	Taber			
	38368		Operation	OC.06 008 15W4	12.05.008.15W4	38581 4	WREF	Comment A.	Taber			
	20000		Operating	06-07-008-15W4	12:06:008:15W4	38581 6	MREF	Coninvent A	Tabe?			
	38581		Operating	09-01-008-16W4	12:06:008-15WA	38581-1	MREF!	Comment A	Taber			
	18581		Operating	10-06-008-15W4	12 06 008 15W4	38581 - 3	WREF	Comment A	Taber			
	43985	2	Operating	06:01:063:08W4	15-02-053-08W4	43985 2	RREFI	Gas line associated with Discialmed COGI well at 05-01-063-08w4				
	1000		Coarting	AWES SEN DO	D3-09 R31 23W4	47634 - 1	MREF	Water injection Line associated walk Disclaimed COGI well at 01-09 D31-23w4	Twinning			
	48457		Operating	05-33-058-18WA	06-34-058 18/W4	48352 1	REFT	Pipeline is associated with disclaimed well at 05:33:058:18w4	Belies			
	1000	4	Not	05:32:075:07W6	16.30 075 G7W6	49394 - 6	MREF!	Comment B				
			Nat	פואלה פני מב דם	11.30.075.02W6	49344 . 7	MAEF!	Comment B	^-			
	49394	0	Remound	11-20-075-07W6	10:30:075:07W6	49394 9	HREF!	Comment B				
Canadian Oli & Cas International Inc.	51262	1	Operating	15:02:063:08W4	11:03:063:05W4	51262 - 1	MREF!	Gas tine associated with Disclaimed COG: well at 15-02-053 D8w4	Cold take			
			Not	200 20 000 00000	14 34 036 01WK	5 95455	MRFE	Comment B	Tindastol			
	51694		Constructed	02-12-028-01V2	12.06.008.15.00	51917.1	WREE	Comment A	Taber			
	51912		Operating	12-06-008 15W4	07:06:008 15W4	51917 1	#REF!	Comment A	Taber			
Canadian C. B. Gas internal onal Inc.	50036	20	Removed	11-26 038-27W4	13-26-038-27-W4	55826 29	MREEI	Comment B	Joffre			
Ī	35856	28	H	12-26-038 27W4	13-26-038-27W4	55826 - 28	WREFI	Comment 8	Joffre			
	62829	2	2	13-06-039-26W4	11 06 039 26W4	55829 - 2	MREF	Disclaimed 2017-06:01	Joffre	Confirmed		No.
	25	-		16-34-037 24W4	16:34:037:24W4	55831 1	WREE	See map C this short pipeline is one segment of a larget line licensed as 2 2313.2. This line does not have an OWA jobe yet but when it does this segment needs to be included in order to abancon the entire line.				
	19901		Abandoned	02:26-038-27W4	04-25 038-27W4	55901 3	MREFI	Disclaimed 2017-06-01	Joffre	Confirmed		100
	55901	1	Abandoned	12.24 038 27W4	04-25-03B-27W4	55901 - 1	MREFI	Disclaimed 2017-06 01	Jelire	Confirmed		4 4
	55901	2	Abandoned	12-30-038-26W4	12:25 038 27W4	55901 - 2	MREFT	Disclaimed 2017-06-01	Johns	Contribed		2 2
	55901	S	Abandoned	13 25 038 27W4	04.36-038-27W4	55901 - 5	MEF	December 2017 05-04. See Map A tab. This pipeline should be added to the OWA job#	The state of the s			
				SAMPS TEL DO NO.	05.10.031.23W6	5384-6	#3EE	606262 as it is part of a larger pipeline that is disclaimed and scheduled for abandonment litting 6384.4). Abandonment of one litting cannot happen without the other in this case.	Twining			
	700	P			NO ON ON	200	11. 12. 20.	See Map A rab. This pipeline should be added to the OWA job? 608282 as it is part of a larger gipeline that is discarmed and scheduled for abandomant (Line 598-4). Abandoment of one line cancel harmen without the other line to the case.	Twinning			
	6354	7 00	Operating	14.21 PART 25 MA	DA.OA.031.23WA	6384 2	MREFI	Dischined 2017-06-01	Twinning	Confirmed		ok
	6384 C384	, ,	Abandoned	14-31-030-23W4	04 05-031 23W4	6384 - 3	MREF	Discisimed 2017-05 01	Twinning	Twinning Confirmed		ok.
	25843	12	Operating	05 19 D38 15W4	13:39 038 16W4					Disclaim date?	orphaned	Disclaimed Feb 2018
	26863	13	Operating	14-19-038 16WA	03-30-038-15W4					Disclaim date?		Discialmed Feb 2018
Canadian Off & Gas International Inc	26843	36	Operating	14-19-038 16W4	03-30-038 16W4					Disclaim date?		Disclaimed Feb 2018

											This is a second of the second of the
		_								in the field. Does the Receiver have record of DEL Canada. The Litense	Of Canada The Liense
anadian Oil & Gas International Inc	27214					_				this pipeline?	number is now 61136-1
avadian Oil & Gae international inc	20129	-	Operating	13-30-038-16W4	14-30-038-16W4			Q.	Disclaim date?	orphaned	Disclaimed Feb 2018
apartian Oil & Gas International Inc	37428	1	Operating	D4-20 038-16W4	09-19 038-16W4			0	Olsclaim date?	orphaned	Disclaimed Feb 2013
anadian Oil & Gas international inc	54381	1	Operating	02 28 060 23W5	16-20-060-23W5			2	ReceiverfishipStatus?		No Record of Disclaim
onserve Oil 8th Corporation	14207	18	Abandoned	11-11-039-27W4	11-11-039-27W4						
observe Oil 8th Corporation	14503	33	Removed	02-23:038-27W4	02-23-038-27W4						
Conserve Oil 8th Corporation	14503	33	Removed	07-23-038-27WA	06-23-038-27W4						
coserve Off8th Corporation	14603	42	Removed	04-26-038-27W4	04-26-038-27W4						
conserve Oil 8th Corporation	14603	43	Removed	D6 23 038-27W4	13-23-038-27W4						
coserve Oil 8th Corporation	14603	4.5	Removed	02-23-038-27W4	07-23-038-27W4					The second secon	
onserve Oil 8th Corporation	14503	45	Removed	10-23-038-27-0/4	07-23-038-27W4						
onserve Oil 8th Corporation	14603	46	Removed	04-25-03B-27W4	04-26-038-27W4						
Conserve Oil 8th Corporation	14603	49	Removed	12-26-038-27W4	12-26-038-27W4						
conserve Oil 8th Corporation	15362	es	Removed	04.30.038.26W4	01 25 038-27W4						
anserve Oil 8th Corporation	15362	10	Removed	04-30-038-26W4	04:30-038-26W4			1			
Conserve Oil 8th Corporation	16696	1	Removed	02.23.038.27WA	02-23-03E-27W4			1			
Conserve Oil 8th Corporation	16733	1	Removed	12-26-038-27W4	12.25.038.27W4			1			
Conserve Dil 8th Corporation	16703	m	Removed	04-26-038-27W4	04-26-038-27W4						
Conserve Oil 8th Corporation	16705	s	Removed	03-17-039-26W4	03-17-039-26W4			1			
Conserve Oil 8th Corporation	16705	9	Removed	01-17-039-26W4	03-17-039-26W4						
Conserve Oil 8th Corporation	16706	6	Removed	03-17-039-26W4	D3-17-D39-26W4						The state of the state of the state of
Conserve Oil 8th Corporation	16711	m	Olicontinues	Discontinued 11-21-039-26W4	11.21 039-26W4				Disclaim date?		Usia med April 2018
Conserve Oil 8th Corporation	7154	9	Rentowed	04-26-038-27W4	12:23 038:27W4						
Conserve Oil 8th Corporation	7154	63	Removed	12-23-038-27W4	12-23-038-27W4						
coverve Oil 8th Corporation	7154	7.5	Removed	13-26-038-27W4	12:26:038:27W4						
Conserve Oil 8th Corporation	7154	24	Removed	04-76-038-27W4	04-26-038-27W4						
Conserve Oil 8th Corporation	2352	25	Removed	13-26-038-27W4	12 26 038 27W4						
And the Committee	3164	37	Removed	D4-26-038-27W4	04-26 033-27W4						

Receiver
Taber pipelinss sscrötared with well soid to Arrow Point on Feb. 20.2015. These pipelines are used to ficus oil from wells illemed to Arrowoolins currently. Exersitar is producing and operating these wells for Arrowoolins and has been illemed to Arrowoolins currently. Comment A

Comment 8

The status is Rentoved or Not Constructed

Edian Pipetines associated with wells that were sold to arrowpoint on Seb 20.2015, however these lines are not being used to graduce wells.

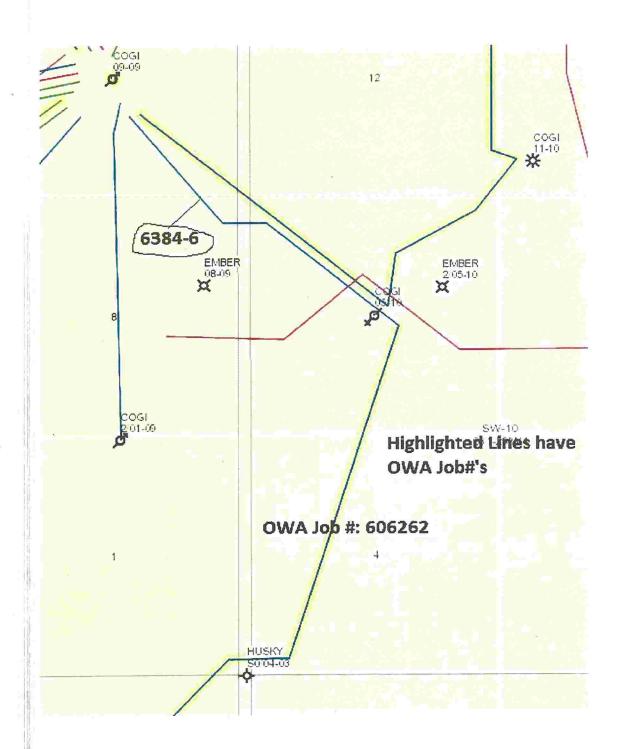
Ukensee
Conserve Oil 1st
Corporation
Conterve Oil Group Inc
Canadian Oil & Gas
International inc all Ilcences disclaimed previously all Ilcences disclaimed previously

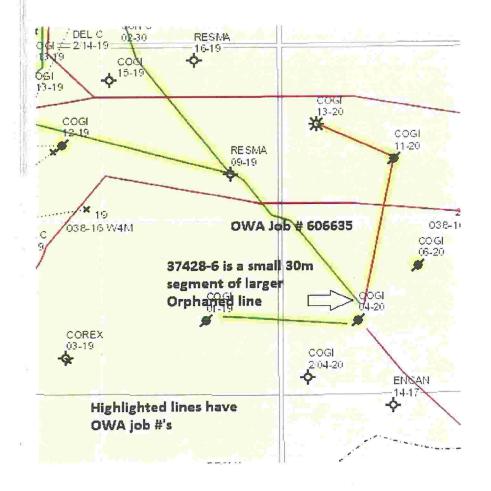
itst of remaining licences sent previously

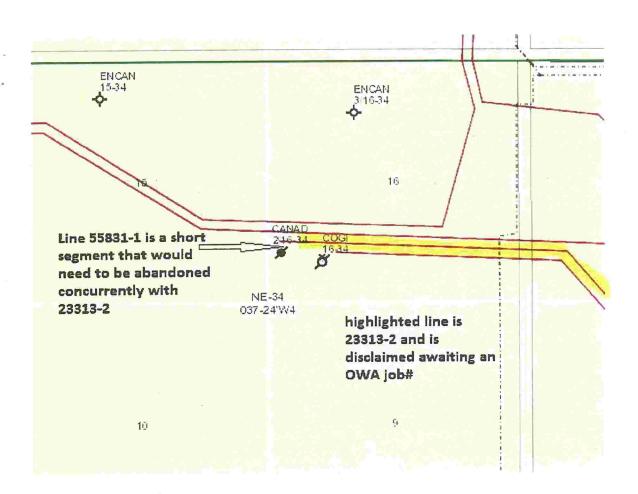
AER Comment
Enerstar neces to work with the Receiver if they want the pipuline. If the Receiver is discharged over the pipuline, Interstar would need to apply to acquire
the transfer neces to work with the Receiver if the transe via RDT to the AER

Although the nipsline segment status is removed or not constructed, the locatic accordance to be under the care and restocy of the Receiver until the Receiver is discharged, or the locator, is another party.

Acknowledged. The litence is considered to be under the care and custody of the Receiver until the Receiver is discharged, on the Leave is standlered to another party.







# 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@greenfieldslaw.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)

< <u>vic.kroeger@mnp.ca</u>>; <u>Melissa.barg@aer.ca</u>; Nutt, Kim < <u>kim.nutt@dlapiper.com</u>>

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</pre>; Mark Coney <mark@marconpipelines.com</pre>; 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 (<u>Redwater@aer.ca</u>) < <u>Redwater@aer.ca</u>>; Victor P. Kroeger (<u>vic.kroeger@mnp.ca</u>)

<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

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

On Jun 5, 2019, at 6:08 AM, Brian Carnahan < Brian.Carnahan@sproule.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

D +1 403 294 5569 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@sproule.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."

This e-mail and any attachments may contain confidential and privileged information. If you are not the intended recipient, please notify the sender immediately by return e-mail, delete this e-mail and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal.

This e-mail and any attachment(s) are confidential and may be privileged. If you are not the intended recipient please notify me immediately by return e-mail, delete this e-mail and do not copy, use or disclose it.

# Nutt, Kim

Charlie Chapman < cwchap@chapeng.ab.ca>

Fhursday, June 06, 2019 4:51 PM

Sent

karend@arrowpoint.ca

Karin Stein; Victor P. Kroeger (vic.kroeger@mnp.ca); Davison, Brian

[EXTERNAL] Oil effluent pipelines in Taber field.

MapExport - Taber pipelines.PDF

Attachments:

Subject:

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 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 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.

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9-1-8-16W4 WE	1-1-8-16W4 WE	10-6-8-15W4 WE	5-6-8-15W4 WE	4-6-8-15W4 WE
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CANADIAN OIL &GAS OCT 28 INTERNATIONAL INC. 1980				
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6-7-8-15W4 WE	7-6-8-15W4 WE	12-6-8-15W4 B
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38581 - 6	51912 - 1	51817 - 1

Thanks Josh

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

Chapman Petroleum Engineering Ltd 700, 1122 - 4th Street SW Calgary, Alberta T2R 1M1

Phone: (403) 266-4141 Fax: (403) 266-4259

email: <u>cwchap@chapeng.ab.ca</u> http//www.chapeng.ab.ca

