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PLAINTIFF

SAFEWAY HOLDINGS (ALBERTA) LTD.

DEFENDANTS

PETROCAPITA OIL AND GAS L.P.,
PETROCAPITA G.P. I LTD., PETROCAPITA
PROCESSING L.P. AND PETROCAPITA G.P. II
LTD.

DOCUMENT

FOURTH REPORT OF THE COURT
APPOINTED RECEIVER AND MANAGER OF
PETROCAPITA OIL AND GAS L.P.,
PETROCAPITA G.P. I LTD., PETROCAPITA
PROCESSING L.P. AND PETROCAPITA G.P. II
LTD.

DATED JANUARY 12, 2021

PREPARED BY HUDSON & COMPANY
INSOLVENCY TRUSTEES INC.

**ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT**

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INTRODUCTION AND BACKGROUND

Introduction

1. Pursuant to an Order (the “**Receivership Order**”) granted by the Court of Queen’s Bench of Alberta (the “**Court**”) on June 11, 2019 (the “**Date of Receivership**”), Hudson & Company Insolvency Trustees Inc. (“**Hudson**”) was appointed as receiver and manager (the “**Receiver**”) of Petrocapita Oil and Gas L.P. and Petrocapita G.P. I Ltd. (together, “**Petrocapita**”) on application by Safeway Holdings (Alberta) Ltd. (“**Safeway**”). Safeway holds registered security over all of Petrocapita Oil and Gas’s present and after acquired property pursuant to a general security agreement.
2. Subsequently, on application by the Receiver, by order dated August 20, 2019 the Court granted an **Amended Receivership Order**, which resulted in Petrocapita Processing L.P. and Petrocapita G.P. II Ltd. being added as part of the companies collectively referred to above as Petrocapita.
3. The Receiver retained Dentons Canada LLP (“**Dentons**”) as its independent legal counsel.

Notice to Reader

4. In preparing this report, the Receiver has relied on unaudited financial statements, Petrocapita’s books and records and discussions with former management, interested parties and other stakeholders. The Receiver has not performed an independent audit or review of the information provided, or otherwise made any attempt to verify the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the use of this Report, or the reproduction, publication or circulation thereof.

Background

5. Petrocapita was an operating oil and gas company with a focus on acquisition and development of heavy oil production and midstream assets. Petrocapita held licenses for approximately 450 wells in Eastern Alberta and Western Saskatchewan. Throughout the receivership, an average of 4-5 wells were in operation from time to time, with the balance being shut-in or otherwise non-performing.
6. The Receiver filed its First Report dated August 12, 2019 in support of an application to expand the receivership order to include Petrocapita Processing L.P. and Petrocapita G.P. II Ltd. (the “**First Report**”).
7. The Receiver filed an interim report (the “**First Interim Report**”) dated December 10, 2019 pursuant to Subsection 246(2) of the *Bankruptcy and Insolvency Act*.
8. The Receiver filed its second report (the “**Second Report**”) dated April 24, 2020 in respect of an application brought by Safeway seeking to have the Court discharge the Receiver.
9. The Receiver filed its third report (the “**Third Report**”) dated August 4, 2020 in support of a sale approval and vesting order.
10. This report (the “**Fourth Report**”) outlines the activities of the Receiver since the date of the Third Report and the remaining matters relevant to the administration of Petrocapita’s estate.
11. The Receiver further respectfully seeks:
 - a. approval of the Receiver’s reported actions, fees and costs, and those of its legal counsel, to date in respect of administering these receivership proceedings;
 - b. advice and direction to facilitate the transfer of assets conveyed by the sale and vesting order;
 - c. approval of a proposed final distribution of proceeds of Petrocapita’s estate; and
 - d. an order discharging the Receiver upon completion of its administration of Petrocapita’s estate.

ACTIVITIES SINCE THE THIRD REPORT

Sale of Assets

12. Within the Third Report, the Receiver outlined the sale process related to the Assets (as defined in the Second Report) and sought approval of the *en bloc* sale of the Assets to Revitalize and 2271127 Alberta Ltd. (the “**Parties**”). By order dated August 14, 2020, this Honourable Court approved the sale of the Assets to the Parties (the “**Sale**”) and issued a Sale Approval and Vesting Order (“**SAVO**”). The Sale proceeds were received by the Receiver on August 18, 2020, as set out in the Receiver’s Final SRD (defined below). The Effective Date of the Sale to the Parties was August 1, 2020.
13. Under the purchase and sale agreement (“**PSA**”) the Receiver completed a ‘white map’ sale, as described in the Third Report. All previously held Petrocapita licenses and working interests were acquired by the Parties, including Petrocapita’s extensive non-producing interests and related liabilities.
14. Following approval of the Sale, the Receiver has been working closely with the Parties, as well as the Alberta Energy Regulator (the “**AER**”) and the Saskatchewan Ministry of Energy and Resources (the “**SMER**”) (collectively, the “**Regulators**”), to have all licenses and working interests transferred from Petrocapita to the Parties.
15. Since court approval of the Sale, the Receiver has worked with representatives of the SMER to transfer the licenses and working interests held by Petrocapita in Saskatchewan to the Parties. By email dated August 21, 2020, the Receiver obtained confirmation from the SMER that the transfers were completed. The SMER confirmed that “*Petrocapita (under Receivership) no longer holds any well or facility licenses in Saskatchewan.*”
16. At the Date of Receivership, Petrocapita held security deposits with the SMER. As a part of the Sale, the Receiver negotiated a return of the security deposits, subject to post-closing adjustments with the Parties. On October 16, 2020, the Receiver collected approximately \$288,000 from the SMER as a net security deposit return. That amount is subject to a 50%

adjustment under the PSA.

17. The process for the transfer of the Petrocapita licenses and working interests in Alberta varies from that in Saskatchewan. Following court approval of the Sale, the Receiver and the Parties submitted the necessary paperwork to the AER for the license transfers. On October 19, 2020, the Receiver was notified by the AER that “*the Petrocapita to Revitalize transfer applications have been approved.*”
18. Following the AER’s confirmation, the Receiver was advised that several working interest party interests in the AER system had actually not been transferred from Petrocapita to the Parties. The Receiver understands that the Parties have been working with the respective license holders to effect the remaining transfers.
19. Concurrently with these processes, the Receiver applied to the AER Eligibility, Transfers and Security Team to request that the Alberta-based security deposits be returned. The Receiver was informed of a 30-day public consultation process before the funds would be returned. On November 26, 2020, the Receiver was advised that the application for the return of those deposits had been approved and a refund was being processed.
20. The refund, totalling \$121,033.14, was paid to the Receiver on January 12, 2021. This amount is subject to a 50% adjustment under the PSA.
21. The Receiver has completed the interim and final statement of adjustments as required under the PSA, subject to final adjustment on the anticipated AER deposit receivable, and the Parties have agreed with the statements as presented.
22. Around the time of the Second Report when Safeway was seeking to have the receivership end and the Receiver discharged, the Parties paid an indemnity to the Receiver’s counsel (the “**Indemnity Backstop Deposit**”) as a replacement of the indemnity initially provided by Safeway, and to provide a backstop to the Receiver so that the receivership and the sale process could continue. The Indemnity Backstop Deposit has not been drawn upon and following the discharge of the Receiver, the Indemnity Backstop Deposit will be returned to the Parties.

Transfers by Alberta Department of Energy

23. The SAVO directs and requires the transfer of all Crown leases subject to the SAVO.
24. The Alberta Department of Energy (“**Energy**”) has advised the Receiver of its refusal to transfer to the purchaser certain leases under the SAVO, unless payment is made for outstanding rental arrears owing as at the date of the Sale.
25. The arrears claimed are comprised of amounts owing from prior to receivership, and certain amounts that accrued post-receivership in respect of areas and wells that the Receiver did not operate or produce from.
26. For pre-receivership claims, the Receiver’s view is that these are unsecured claims and should not be paid in priority to secured claims. The claims of secured creditors exceed available proceeds. There will not be funds available for distribution to unsecured claims.
27. For post-receivership claims for non-producing areas, the Receiver has not received nor allocated any value, revenue or sale proceeds relative to those areas and has no funds to distribute in that regard.
28. The Receiver is respectfully of the view that Energy cannot refuse the transfer. In the Receiver’s view, the direction under the SAVO is clear and the leases should be transferred.
29. Energy takes the view that, under the regulatory scheme in Alberta, Energy is not required to effect a transfer so long as any amounts owing to Energy are outstanding. Energy accordingly seeks payment, notwithstanding its claims are subordinate to other creditors, which other creditors will face a deficiency.
30. The Receiver seeks this Honourable Court’s advice and direction in respect of payment of the outstanding rental arrears claimed by Energy. Copies of an email sent to the Receiver by Energy on November 18, 2020, and letters from and to the Receiver’s counsel dated November 27, 2020 and December 9, 2020, are attached hereto, marked as Appendix “A”. Attached hereto and marked as Appendix “B” is a copy of an additional email string sent to the Receiver by the purchaser of the Assets. This correspondence outlines the salient points at issue in respect of

the pre-receivership arrears accrued for the relevant assets.

31. If this Honourable Court determines these amounts must be paid in priority to secured creditors, the Receiver will allocate the necessary funds and revise its proposed final distribution accordingly.
32. Should this Honourable Court find the amounts claimed by Energy are subordinate claims and should not be paid from estate funds, the Receiver respectfully requests an order directing Energy to comply with the SAVO and to transfer the leases to the Parties, as contemplated therein.

STATUTORY CLAIMS

33. The Canada Revenue Agency (“CRA”) has not conducted a payroll or GST audit.
34. However, the CRA has provided a verbal confirmation that there are no outstanding statutory claims for unremitted source deductions, nor do they have any claim for pre-receivership GST owing.
35. The Receiver understands that, due to the ongoing COVID-19 pandemic, the CRA is not physically conducting payroll or GST audits presently. In such circumstances, the Receiver is of the view the verbal confirmation provided by the CRA is the only assurance that can practically be obtained regarding the status of pre-receivership source deductions and GST owing. Additionally, the Receiver will provide notice to the CRA of its application seeking approval of its proposed final distribution of the estate funds and the Receiver’s discharge.
36. No other statutory claims have been received.

RECEIVER BORROWINGS

37. The Receivership Order authorized the Receiver to borrow up to \$500,000 in funds for the purpose of funding the exercise of the powers and duties conferred upon the Receiver, including interim expenditures. The Receiver did not borrow any funds during the

Receivership.

FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS

38. Over the course of the receivership, the Receiver has collected total receipts of approximately \$2.78 million, consisting primarily of:

- a. \$1,575,868 from the sale of oil and related products through operations, net of joint interest billings;
- b. \$551,623 from the *en bloc* disposition of Petrocapita's assets;
- c. \$312,118 from collection of accounts receivable; and
- d. \$340,430 from refunds of deposits, GST, funds on hand and miscellaneous.

39. The Receiver made disbursements over the period of approximately \$2.26 million, consisting primarily of:

- a. \$531,658 for operating expenses, well maintenance, supplies, etc.
- b. \$499,346 for consulting, staffing, wellsite operations, and related services;
- c. \$309,371 for royalties, GORRs, surface rentals, etc.;
- d. \$270,047 for the Receiver's professional fees and costs to October 31, 2020;
- e. \$243,358 for the fees and costs of the Receiver's legal counsel to October 21, 2020;
- f. \$116,351 for transportation and trucking costs;
- g. \$113,365 for insurance;
- h. \$66,309 for occupation rent; and
- i. \$111,663 for GST and PST paid on disbursements and miscellaneous administrative costs.

40. These amounts are summarized specifically in the Receiver's Final Statement of Receipts and Disbursements (the "**Final SRD**"), which is attached hereto, marked as Appendix "C".

41. As of January 8, 2021, the Receiver had \$518,571 in remaining funds on hand, and on January 12, 2021 received (on a net basis) of \$60,516 from the return, after adjustment, of the AER

security deposit. The Receiver accordingly anticipates reconciliation and payment of final post-receivership estate/operating costs from total cash available of \$579,087, and then final distribution, on a net basis after payment of remaining estate costs, to creditors on a priority basis.

42. The Receiver's estimated remaining unpaid disbursements (the "**Remaining Unpaid Disbursements**") are as follows:

- a. \$32,500 (excluding GST) for the Receiver's un-invoiced work in progress from and after October 31, 2020 and anticipated amounts that will be required to complete the receivership and obtain the Receiver's discharge;
- b. \$30,000 (excluding GST) for the Receiver's legal counsel's un-invoiced work in progress from and after October 21, 2020 and anticipated amounts that will be required to complete the receivership and obtain the Receiver's discharge;
- c. \$58,685.02 for payment of municipal taxes owing to County of Vermillion River ("**Vermillion**") for the period of post-receivership production, from June 11, 2019 to the date of Sale;
- d. \$3,233.42 for payment of municipal taxes owing to Rural Municipality of Britannia #502 ("**Britannia**") for the period of post-receivership production, from June 11, 2019 to the date of Sale; and
- e. \$133,379.13 for payment of municipal taxes owing to Rural Municipality of Manitou Lake #442 ("**Manitou**") for the period of post-receivership production, from June 11, 2019 to the date of Sale.

43. The foregoing amounts payable to Vermillion, Britannia and Manitou reflect payment of post-receivership municipal tax claims for those areas from where the Receiver operated wells and produced hydrocarbons.

44. For the purpose of reconciling post-receivership production volumes and municipal tax claims, the Receiver engaged the former Chief Financial Officer of Petrocapita Oil and Gas. The

Receiver has reviewed and accepts the information provided in that regard. Attached as Appendix “D” to this Fourth Report is a summary of the property taxes incurred and that are payable to the respective regional municipalities based on production from the Date of Receivership to the Effective Date of the Sale (the “**Direct Property Taxes**”). The Receiver has not independently verified the amounts of the Direct Property Taxes due to the anticipated costs of such a process, and believes it is appropriate to rely on Petrocapita’s internal records and the representations of prior management.

45. To the extent creditors have pre-receivership tax claims, those claims have been assessed and will rank and be payable proportionately out of net estate proceeds, in consideration of creditors’ relative legal priorities and entitlement to net proceeds under the SAVO. This is discussed below, under the Receiver’s proposed distribution.
46. No payment is being made to any post-receivership municipal tax claims for areas where there were no operations and no production during the period of receivership. The Receiver has neither received nor allocated any value, revenue or sale proceeds relative to those areas and accordingly has no funds to distribute in that regard.

PROFESSIONAL FEES

47. Professional fees and disbursements charged by the Receiver in respect of its administration of the receivership total approximately \$302,547 (excluding GST), including all un-invoiced work in progress and anticipated amounts that will be required to complete the receivership. Professional fees and disbursements charged by the Receiver’s legal counsel total approximately \$273,358 (excluding GST), including all un-invoiced work in progress and anticipated amounts that will be required to complete the receivership.
48. In the opinion of the Receiver, the services rendered in respect of these fees and disbursements have been duly rendered in response to the required and necessary duties of the Receiver over the duration of the receivership period, and are reasonable in the circumstances.

49. Detailed time records supporting the invoices are kept in the offices of the Receiver and its legal counsel and will be made available upon request.

PROPOSED DISTRIBUTION

50. After payment of the Remaining Unpaid Disbursements, the Receiver will have a net surplus of approximately \$318,165 in the estate (the “**Net Funds Remaining**”). The Receiver will not have sufficient funds to pay all pre-filing creditors’ claims in full. Secured claims against Petrocapita in Alberta and Saskatchewan exceed \$16 million dollars. The Receiver accordingly has only reviewed those priority claims in each province that are impacted to the extent funds are available and has not reviewed subordinate or unsecured claims. The Receiver proposes the distribution strategy as set out below, as particularly described in the Receiver’s Summary of Proposed Distribution, attached hereto and marked as Appendix “E”.

Allocation of Sale Proceeds

51. As noted above, the vast majority of Petrocapita’s wells were non-producing for the entire duration of receivership. The Receiver realized no revenue and incurred no expenses in respect of those properties.

52. In negotiating the Sale, the Receiver was cognizant that the primary stakeholders in the Petrocapita estate were the Orphan Well Association, the Alberta and Saskatchewan Regulators, and the various municipalities, who would assert priority claims for outstanding municipal taxes.

53. The Receiver was also cognizant of the senior secured creditors, including Safeway Holdings (Alberta) Ltd., which had provided an indemnity to the Receiver, and the Parties to the extent of their interest and, after execution of their Letter of Intent, stake in the estate.

54. On balance, the Receiver viewed the Sale to be in the best interests of the various stakeholders. As described in the Third Report, the initial sale process was extensive and unfruitful. The Sale

presented an *en bloc* alternative with sufficient proceeds to cover all estate costs and a small amount of net proceeds for priority creditors. The Sale avoided the invariable alternative that all 450 wells would have to be transferred to the Orphan Well Association.

55. The Receiver was aware that insufficient proceeds would be realized from the Sale to pay all claims; however, the Assets were otherwise essentially unsellable, so the only alternative would have been a nil realization.
56. The Receiver's recommended distribution of the Net Funds Remaining allocates sale proceeds only to producing Assets. It is the Receiver's view that no value should be ascribed to non-producing Assets. Although everything was conveyed under the white map sale, the non-producing Assets were considered to have no current value and are burdened with significant end of life liabilities, which have been assumed by the Parties.
57. Among the producing Assets, the Receiver has allocated value based on the volume of production that occurred during the receivership period. Some wells were more productive than others. This period is appropriate as the Receiver has precise available records as to what production occurred, and the duration of the receivership (more than 18 months) is sufficient to provide a reasonable basis to observe which of the producing Assets were generally more prolific.
58. It is accordingly the Receiver's view that available proceeds should be pro-rated among the producing wells based on productivity and creditors with claims appurtenant to those wells should be paid in respective priority from proceeds ascribed to those Assets.
59. On the basis of the foregoing, from the Date of Receivership to the Effective Time of the Sale approved in the SAVO:
 - a. 62.5% of production occurred from Producing Wells located in the County of Vermillion River in the Province of Alberta;
 - b. 33.5% of production occurred from Producing Wells located in the Rural Municipality of Manitou Lake #442 in Saskatchewan; and

- c. 4.0% of production occurred from Producing Wells located in the Rural Municipality of Britannia #502 in Saskatchewan.
60. Based on review of Petrocapita's records and discussions with Petrocapita's former management, the Receiver understands that there are amounts owing to each of the Vermillion, Manitou and Britannia (collectively the "**Municipalities**") in respect of taxes owing prior to the Date of Receivership.
61. The Receiver engaged former management of Petrocapita to provide an allocation of the tax amounts as against the Producing Wells, and for those Producing Wells in Alberta, requested the tax amounts be divided as between linear and non-linear amounts. There is no distinction between linear and non-linear amounts in Saskatchewan. The Receiver understands that:
 - a. the County of Vermillion is owed \$95,429.55 in respect of non-linear taxes prior to the Date of Receivership;
 - b. the Rural Municipality of Manitou Lake #442 is owed \$1,149,065.81 in respect of municipal taxes prior to the Date of Receivership; and
 - c. the Rural Municipality of Britannia #502 is owed \$144,739.74 in respect of municipal taxes prior to the Date of Receivership.
62. The foregoing are collectively referred to as the "**Pre-Filing Tax Amounts**".
63. Based on discussions with former management of Petrocapita, the Receiver understands the Pre-Filing Tax Amounts accurately reflect amounts owing in respect of property taxes prior to the Date of Receivership, and are accurately allocated as against the Producing Wells.
64. The Receiver has obtained legal opinions from its independent counsel in Alberta (Dentons Canada LLP) and in Saskatchewan (MLT Aikins LLP), regarding the priority of claims to the proceeds generated from the sale of the Producing Wells and, subject to the customary assumptions, limitations, and qualifications, these opinions confirm that the amounts set out in paragraph 61 have priority against any other claims against the Net Funds Remaining.

65. The Receiver has accordingly proposed distribution of the Net Funds Remaining:
- a. to the County of Vermillion, to the lesser of 62.5% of the Net Funds Remaining or \$95,429.55;
 - b. to the Rural Municipality of Manitou Lake #442 to the lesser of 33.5% of the Net Funds Remaining or \$1,149,065.81; and
 - c. to the Rural Municipality of Britannia #502 to the lesser of 4.0% of the Net Funds Remaining or \$144,739.74.
66. The Receiver anticipates that the foregoing distribution of the Net Funds Remaining will still leave the Regional Municipality of Manitou Lake and the Regional Municipality of Britannia with a shortfall in its priority pre-receivership claims. However, the Receiver anticipates that the County of Vermillion River will be paid in full for its priority pre-receivership claim.
67. Following the payment of the Pre-Filing Tax Amounts, the Receiver estimates that approximately \$103,000 will remain available as proceeds ascribed to the Alberta wells within the County of Vermillion. The Receiver's position is that these funds will be payable to Safeway and Petrocapita Income Trust on the basis of their priority claims.
68. On the basis of the foregoing, the Receiver proposes the Court approve the payment of the Remaining Funds in accordance with the distribution proposed above.

RECEIVER'S DISCHARGE

69. The Receiver is not aware of any further assets of Petrocapita that have realizable value, and after collecting funds related to unreturned insurance premiums and deposits, and distributing these and the funds presently held to creditors, the Receiver's administration of the Petrocapita estate will be complete.
70. After completion of these matters, the Receiver is unaware of any further commercially prudent activities that can be taken in respect of the estate, and in such circumstances the Receiver proposes the Court approve the Receiver's discharge, subject to the Receiver filing a certificate

(the “**Discharge Certificate**”), a draft of which is attached as Appendix “F” with this Court certifying that:

- a. All distributions set out in the Receiver’s Report have been completed; and
- b. All other material matters in the administration of the receivership estate have been completed.

APPROVAL SOUGHT

71. As a result of the information outlined in this Fourth Report, the Receiver respectfully requests the following:

- a. Approval of the reported actions and conduct of the Receiver to date in respect of administering these receivership proceedings;
- b. Approval of the Receiver’s Final SRD;
- c. Approval of the accounts of the Receiver, Dentons Canada LLP, and MLT Aikins LLP inclusive of accrual for the fees and disbursements in connection with the completion of these proceedings, including the costs of this application;
- d. Approval of the Receiver’s proposed final distribution of Net Funds Remaining;
- e. A declaration that the Receiver has duly and properly completed its duties, responsibilities and obligations;
- f. Discharging and releasing the Receiver from any and all further obligations as Receiver and any and all liability in respect of any act done by the Receiver in these receivership proceedings and its conduct as Receiver pursuant to its appointment in accordance with the Receivership Order, or otherwise; and
- g. Such further and other relief and directions as counsel may request and this Honourable Court may deem appropriate.

HUDSON & COMPANY INSOLVENCY TRUSTEES INC.

In its capacity as Court-Appointed Receiver and Manager of
Petrocapita Oil and Gas LP, Petrocapita G.P. I Ltd.,
Petrocapita Processing LP and Petrocapita G.P. II Ltd.
and not in its personal capacity



Stefan DuChene, CPA, CA, CIRP
Senior Vice-President

Appendix A

Stefan DuChene

From: Peter Ciechanowski <Piotr.Ciechanowski@gov.ab.ca>
Sent: Wednesday, November 18, 2020 4:48 PM
To: Stefan DuChene
Subject: RE: Petrocapita GP I Ltd. transfer to Revitalize Energy - Rental Arrears
Attachments: Crown Leases - SD amendments.xlsx; 4140419.xlsx; 4630_001.pdf

Good afternoon Stefan,

Thank you for your patience and I appreciate the time you have taken to review the rental arrears and provide a proposal for pro-rating rental arrears ("*Crown Leases – SD amendments*").

Energy has reviewed your proposal and respectfully still maintains its position on having all rental arrears addressed before registering the Transfer #4140419, which involves transfer of Agreements to Revitalize Energy.

These Agreements were part of the Approval and Vesting Order approved by the Court on August 13, 2020 (the "Order"). A review of the Permitted Encumbrances in Schedule D of the Order indicates that rental arrears are to be recognized and considered as part of the transfer process to Revitalize.

Under clause 3 of the Permitted Encumbrances, a Governmental Authority has the right reserved or vested in it by the terms of any title and operating document, lease, license, or by any applicable law to terminate any such title and operating document, lease, license or to require annual or other periodic payments as a condition of its continuance. Rental arrears for mines and minerals agreements are invoiced on an annual basis and, as such, to be considered as a periodic payments. Under subsection 5(1)(g) of the Crown Minerals Registration Regulation, Energy has the right to refuse to register a transfer submitted for registration if the transferor or transferee is in default of payment of any debt, which includes rental arrears. In addition, section 91.1 of the Mines and Minerals Act makes clear that both the transferee and transferor are jointly responsible for any obligation or liability arising from the agreements being transferred.

Under clause 5 of the Permitted Encumbrances, a Governmental Authority has the rights reserved to or vested in it to control or regulate any of the Purchased Assets in any manner. Therefore, Energy has the right to utilize its statute and regulations as provided above to maintain its position for payment of all rental arrears.

Under clause 7 of the Permitted Encumbrances, one may also consider the express or implied reservations, provisos, and conditions in any original grants from the Crown of any of the Lands or interests therein. Schedule D makes clear that "Lands" involve the Alberta Lands and Leases. In addition, all mines and minerals agreements come with the proviso that it is subject to the Mines and Minerals Act and its regulations, including the Crown Minerals Registration Regulation. Therefore, Energy has the right to utilize its statute and regulations as provided above to maintain its position for payment of all rental arrears.

Energy's position on payment of all rental arrears for the Agreements does not entail a differentiation of whether the transferee, transferor, or both pays, but rather simply satisfaction of payments generally. Laurie McLeod from Revitalize has sent communications this week to Energy requesting clarification on amounts of rental arrears. I have sent her an Excel spreadsheet that I sent you a couple weeks ago for her awareness ("*4140419*"), so I hope that you and Laurie may have further discussions on next steps for addressing these rental arrears.

I note that in the Excel 4140419, I have highlighted certain portions green for Laurie's attention respecting the recently invoiced Agreements ("4630_001").

Thank you Stefan and please let me know if you have any questions.

Kind regards,

Peter Ciechanowski, BSc., MPH, JD

Barrister and Solicitor
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Classification: Protected A

From: Peter Ciechanowski <Piotr.Ciechanowski@gov.ab.ca>
Sent: Monday, November 16, 2020 3:27 PM
To: Stefan DuChene <SDuChene@hudsoninc.ca>
Subject: RE: Petrocapita GP I Ltd. transfer to Revitalize Energy - Rental Arrears

Hello Stefan,

By way of update, I got off a call with one of the client departments in Energy and this has been forward to their superiors for review. They said that they will be touching base with me latest by next week. I apologize for the delay.

Regards,

Peter Ciechanowski, BSc., MPH, JD

Barrister and Solicitor
Energy Legal Services
Legal Services Division
Justice and Solicitor General
Government of Alberta

9th Floor, North Petroleum Plaza
9945-108 Street
Edmonton, AB T5K 2G6
Canada

Tel: 780-422-8085
Fax: 780-427-1871
piotr.ciechanowski@gov.ab.ca

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大成 DENTONS

Derek Pontin
derek.pontin@dentons.com
D +1 403 268 6301

Dentons Canada LLP
15th Floor, Bankers Court
850-2nd Street SW
Calgary, AB, Canada T2P 0R8

dentons.com

November 27, 2020

File No.: 575359-2

Sent Via E-mail: Piotr.Ciechanowski@gov.ab.ca

Alberta Energy
9th Floor, North Petroleum Plaza
9945-108 Street
Edmonton, AB T5K 2G6

Attention: Peter Ciechanowski

Dear Sir:

**Re: In the Matter of the Receivership of Petrocapita GP I Ltd., et al.
Transfer to Revitalize Energy Inc. ("Revitalize") – Rental Arrears**

You may be aware we are counsel to the Receiver (the "Receiver") of Petrocapita GP I Ltd. (and others) (the "Companies"). You are aware the Receiver has sold the assets of the Companies to Revitalize and Revitalize is seeking transfer of certain leases. Rental arrears are outstanding for some of these leases and you have indicated Energy will not approve the transfer of these leases until all rental arrears have been paid. We have reviewed the August 13, 2020 Approval and Vesting Order and authorities you've cited in support of your assertions. We respectfully request the lease transfers be approved, as we do not see justifiable grounds for refusal of those transfers on the basis of the outstanding arrears. Our analysis of this issue is below.

The Vesting Order provides that the assets of the Companies are conveyed to Revitalize free and clear of all encumbrances, subject to Permitted Encumbrances. The Permitted Encumbrances are generic in form, and include rights reserved to or vested in Governmental Authorities under the terms of applicable leases, permits, etc. The key is that it is the *rights* of Governmental Authorities that are reserved. The Vesting Order is not intended to extinguish the prospective rights of any governmental body, including rights to govern, terminate and charge periodic payments for ongoing lease arrangements. This does not extend to claims, particularly monetary claims, in arrears. To make this extension would undermine the entire concept of the Vesting Order. The transaction can only succeed if the Purchaser has comfort they are taking the assets free from prior financial burdens, and governmental authorities have comfort the terms of their leases are not being compromised going forward.

On that basis, any arrears claimed by Energy are vested in the sales proceeds by virtue of the Vesting Order. Those claims are unsecured monetary claims and are subordinate to secured and other priority

Durham Jones & Pinegar ► LEAD Advogados ► Rattagan Macchiavello Arocena ► Jiménez de Aréchaga, Viana & Brause ► Lee International ► Kensington Swan ► Bingham Greenebaum ► Cohen & Grigsby ► Sayarh & Menjra ► Larrain Rencoret ► For more information on the firms that have come together to form Dentons, go to dentons.com/legacyfirms

claims. The Receiver accordingly is not permitted to pay those amounts as it would upset legal priorities that the Receiver must adhere to.

Energy has the right to refuse a transfer if default in payment is observed; however, that is subject to any Court Order to the contrary. The Vesting Order is clear in its direction to the Minister, at para 6(c):

- (c) Alberta Energy shall and is hereby authorized, requested and directed to forthwith:
- (i) cancel and discharge those Claims, without limitation including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtors in and to any of the Purchased Assets located in the Province of Alberta; and
 - (ii) transfer all Crown leases standing in the name of the Debtors, comprising a part of the Alberta Lands and Leases, to the Purchaser Group (or its nominee) free and clear of all Claims, including Encumbrances, but excluding Permitted Encumbrances.

To reiterate, the exclusion of Permitted Encumbrances assures Energy it has the right to claim future lease payments against Revitalize. This does not go so far as to carve out unsecured amounts owing in arrears. This is further supported by the Asset Purchase Agreement. This of course was the document approved by the Court as the entire basis of the transaction. The surface rental arrears are an adjustable expense and remain a liability of the Companies' estate up until the Effective Date. As a liability of the estate, arrears for these amounts cannot be claimed against the Purchaser. This aligns with the nature of the Vesting Order and commercial reality in receivership conveyances.

With the foregoing for context, it remains that the Minister is directed by the Vesting Order to complete the transfers. The Court Order supercedes Ministerial discretion to refuse the transfer. The Minister is ordered and must comply, else be considered to be acting in contempt.

Should the Minister continue to refuse the transfer, we will bring the matter to Court seeking advise and direction (and costs, if appropriate), in connection with the Receiver's anticipated application for distribution of sale proceeds and discharge. We would of course prefer not to have to resolve this by Court appearance, but are prepared to do so, if necessary.

Should you wish to discuss the matter, please contact the undersigned.

Yours truly,

Dentons Canada LLP

DocuSigned by:

156B6CBFCA0D47B ..

Derek Pontin



Energy Legal Services
9th Floor, Petroleum Plaza North
9945 – 108 Street
Edmonton, Alberta
T5K 2G6
Telephone: 780-422-8085
Fax: 780-427-1871
Email: piotr.ciechanowski@gov.ab.ca
www.alberta.ca

December 9, 2020

Sent Via E-mail: Derek.Pontin@dentons.com

Dentons Canada LLP
15th Floor, Bankers Court
850-2nd Street SW
Calgary, AB, Canada T2P 0R8

**RE: In the Matter of the Receivership of Petrocapita GP I Ltd., et al.
Transfer to Revitalize Energy Inc. (“Revitalize”) – Rental Arrears**

Dear Mr. Pontin,

Thank you for your letter dated November 27, 2020 (the “Letter”). My client, the Department of Energy (“Energy”) has reviewed the Letter. Energy appreciates your client’s position, along with the offer to pay some of the rental arrears owing on the leases at issue. My client’s position is that pre-insolvency rental arrears should be paid with respect to these leases, as section 84.1(5) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, (the “BIA”) applies to the assignment of these leases.

Crown leases, such as those at issue here, require consent from the Crown in order to transfer. For instance, section 5 of the *Crown Minerals Registration Regulation* provides some of the conditions for which Energy can refuse to transfer a lease. Given that Energy’s consent is necessary to transfer leases in the ordinary course of business, an order of the court must take into account section 84.1 of the BIA. Under section 84.1(5), the Court must be satisfied that monetary defaults in relation to the leases were or would be remedied before ordering such transfer of those leases. Remedy of monetary defaults in relation to leases, otherwise known as cure costs, are provided as a typical practice among receivers when requesting transfers of those leases with Energy. This is why my client is insisting that rental arrears be paid before transferring the leases at issue. On this basis, Energy would appreciate the payment of all rental arrears at which time the lease will be transferred.

Energy would also prefer not to resolve this by Court appearance, to avoid unnecessary costs and to continue discussions to resolve this matter.

Please let me know when you wish to discuss further.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Ciechanowski', with a long horizontal flourish extending to the right.

Peter Ciechanowski
Barrister and Solicitor

Appendix B

Stefan DuChene

From: Laurie McLeod <lauriemcleod@reenergyinc.com>
Sent: Thursday, January 07, 2021 2:57 PM
To: Stefan DuChene; Charity Callahan
Subject: FW: Petrocapita to Revitalize Transfers # 4182668

Good Afternoon,

As you can see below, the transfer of Crown PNG Leases is held up due to the outstanding escalating rental that was incurred during receivership for the oil sands lease 7495090522. As the lease was not producing during the receivership period, the escalating rental came into effect. If this isn't paid, they will reject the entire transfer. This transfer is for those leases where Petrocapita was designated representative and comprises the majority of the leases held in Alberta.

The transfer that was submitted for the leases where Manitok was designated representative (responsible for paying the rentals) is going to be rejected due to the outstanding rentals that are owing. \$56,716.80.00 was due over the past three years. This will leave numerous Crown Leases where Petrocapita has a registered interest.

According to the Department of Energy "as a co-lessee of these agreements, Petrocapita is liable to pay the outstanding debt when the designated representative/authorized payor defaults".

Please provide direction on how to proceed with this.

Thank you

Laurie McLeod

A better kind of Energy company

T: +1.877.858.8006
E: lauriemcleod@reenergyinc.com
W: www.reenergyinc.com

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From: Melanie Kruger <Melanie.Kruger@gov.ab.ca>
Sent: Thursday, January 7, 2021 1:41 PM
To: Laurie McLeod <lauriemcleod@reenergyinc.com>
Cc: Daniel Langelier <Daniel.Langelier@gov.ab.ca>; Peter Ciechanowski <Piotr.Ciechanowski@gov.ab.ca>
Subject: RE: Petrocapita to Revitalize Transfers # 4182668

Hi Laurie,

I have transferred \$26.88 to both 0407100490 & 0407100491 though from 001-37304 Revitalize's funds.

I cannot transfer from 001-14145 I mentioned earlier as the funds are the Receiver's and cannot be transferred without their authorization. I hope this is ok as I should have reviewed the payor information prior to stating.

I've also followed up with Oil Sands and 7495090522 (Petrocapita des. Rep.) owes \$13,890.08 for Escalating Rent and was payable 2020/10/15. If Revitalize and/or the Receiver isn't interested in paying this debt, Unfortunately we will have to reject your transfer request and will affect all agreements under this transfer 4182668. Unfortunately our system is set up to accept all or reject all, not individual agreements.

Please advise.

Thanks,

Melanie

Classification: Protected A

From: Laurie McLeod <lauriemcleod@reenergyinc.com>

Sent: January 7, 2021 11:32 AM

To: Melanie Kruger <Melanie.Kruger@gov.ab.ca>

Cc: Daniel Langelier <Daniel.Langelier@gov.ab.ca>; Peter Ciechanowski <Piotr.Ciechanowski@gov.ab.ca>

Subject: RE: Petrocapita to Revitalize Transfers # 4182668

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Thank you so much Melanie.

If you are able to transfer the \$53.76, it would be appreciated.

We are currently reviewing the leases where Manitoak is the designated representative and understand the transfer will be rejected as a decision hasn't been made yet regarding them.

Thank you again for your assistance.

Laurie McLeod
Land Consultant

From: Melanie Kruger <Melanie.Kruger@gov.ab.ca>

Sent: Thursday, January 7, 2021 11:21 AM

To: Laurie McLeod <lauriemcleod@reenergyinc.com>

Cc: Daniel Langelier <Daniel.Langelier@gov.ab.ca>; Peter Ciechanowski <Piotr.Ciechanowski@gov.ab.ca>

Subject: RE: Petrocapita to Revitalize Transfers # 4182668

Good Morning Laurie,

Per Peter C.'s email to you, the transfers cannot proceed because there is outstanding debt \$53.76 (see attached) for **Transfer # 4182668**.

I ran a credit check and there are funds available to cover the outstanding amount of \$53.76 that I can transfer from 001-14145 (\$896 credit).

For **Transfer #4181946** there is 3 years annual rent outstanding on all leases - \$56,716.80 (see attached).

Petrocapita is not the designated representative on any of these agreements.

As a co-lessee of these agreements, Petrocapita is liable to pay the outstanding debt when the designated representative/authorized payor defaults. Any company(ies) can pay the rentals.

Petrocapita can discuss with Manitoak's receiver (Alvarez and Marsal) payment of outstanding rent.

Please advise if rent for Transfer #4181946 will be forthcoming. If not, we will be rejecting this transfer request.

Payment can be made by cheque to Government of Alberta and be mailed/couriered or dropped off in our Calgary office.

AMEC Place
3rd floor, 801 6 Ave SW
Calgary AB T2P 3W2

Reception 403-297-8955

Melanie Kruger

Land Analyst
Agreement Administration
Energy Operations, Tenure Branch



Energy
11th Fl North Petroleum Plaza | 9945 - 108 ST NW | Edmonton, AB T5K 2G6
D: (780) 427 8955
Helpdesk: (780) 644-2300 option 5
E: transfers.energy@gov.ab.ca
<https://www.alberta.ca/energy.aspx>

Classification: Protected A

From: Daniel Langelier <Daniel.Langelier@gov.ab.ca>
Sent: January 7, 2021 8:38 AM
To: Melanie Kruger <Melanie.Kruger@gov.ab.ca>
Subject: FW: Petrocapita to Revitalize Transfers # 4182668

Hi Melanie,

Are you able to answer Laurie's question below on Transfer #4181946? ETS shows that it is assigned to you so I'm not sure what discussion you and Peter C had regarding the rentals.

Thanks,

Daniel

Classification: Protected A

From: Laurie McLeod <lauriemcleod@reenergyinc.com>
Sent: January 7, 2021 8:00 AM
To: Daniel Langelier <Daniel.Langelier@gov.ab.ca>
Subject: FW: Petrocapita to Revitalize Transfers # 4182668

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Hi Daniel,

Would you be able to advise me what rentals are outstanding on the Petrocapita/Revitalize leases where we are designated representative? I understand that is the reason that the transfer has not gone through yet.

Thank you.

Laurie McLeod
Land Consultant

From: Peter Ciechanowski <Piotr.Ciechanowski@gov.ab.ca>
Sent: Wednesday, January 6, 2021 1:26 PM
To: Laurie McLeod <lauriemcleod@reenergyinc.com>
Subject: RE: Petrocapita to Revitalize Transfers

Hi Laurie,

Yes double-check with Daniel on any updates for these two transfers. You may also contact Melanie Kruger at Melanie.Kruger@gov.ab.ca.

My recollection is that Transfer #4182668 had a nominal rental arrear amount in two of the oil sands leases. Any questions regarding oil sands leases should be directed to the following email address:
OilSandsTenure.Energy@gov.ab.ca.

My understanding for Transfer #4181946 is that there are still Agreements with rental arrears from the past three years.

Regards,

Peter Ciechanowski, BSc., MPH, JD

Barrister and Solicitor
Energy Legal Services
Legal Services Division
Justice and Solicitor General
Government of Alberta

9th Floor, North Petroleum Plaza
9945-108 Street
Edmonton, AB T5K 2G6
Canada

Tel: 780-422-8085
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piotr.ciechanowski@gov.ab.ca

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Classification: Protected A

From: Laurie McLeod <lauriemcleod@reenergyinc.com>
Sent: Monday, January 04, 2021 2:02 PM
To: Peter Ciechanowski <Piotr.Ciechanowski@gov.ab.ca>
Subject: RE: Petrocapita to Revitalize Transfers

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Happy New Year Peter.

There is one transfer, #4181946, where Manitek is the designated representative, so we realize this one will not go through at this time. The other transfer is #4182668 which has the majority of the leases we want transferred.

I will contact Daniel when he is back and see what rentals, if any, are outstanding.

Thank you for your assistance.

Laurie McLeod

From: Peter Ciechanowski <Piotr.Ciechanowski@gov.ab.ca>
Sent: Monday, January 4, 2021 1:27 PM
To: Laurie McLeod <lauriemcleod@reenergyinc.com>
Cc: Daniel Langelier <Daniel.Langelier@gov.ab.ca>
Subject: RE: Petrocapita to Revitalize Transfers

Good afternoon Laurie,

I wish you a happy new year and I hope you and your loved ones had a wonderful holiday.

Back in mid-December I approved several transfers to Revitalize.

May you please provide me with the transfer number you are referring to? Once provided I can do a further inquiry.

As for whether it would be advantageous to delete the Transfer and input one separately, you may have further discussions with Daniel upon his return. What I have communicated to the Receiver of Petrocapita is that any Agreement with rental arrears is not accepted by Energy for transfer. Any amount owing may be addressed by the Transferee, Transferor, or both parties by sending payments addressed to the appropriate Energy office.

Thank you.

Sincerely,

Peter Ciechanowski, BSc., MPH, JD

Barrister and Solicitor
Energy Legal Services
Legal Services Division
Justice and Solicitor General
Government of Alberta

9th Floor, North Petroleum Plaza
9945-108 Street
Edmonton, AB T5K 2G6
Canada

Tel: 780-422-8085
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piotr.ciechanowski@gov.ab.ca

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Classification: Protected A

From: Laurie McLeod <lauriemcleod@reenergyinc.com>
Sent: Monday, January 04, 2021 8:32 AM
To: Peter Ciechanowski <Piotr.Ciechanowski@gov.ab.ca>
Cc: Daniel Langelier <Daniel.Langelier@gov.ab.ca>
Subject: Petrocapita to Revitalize Transfers

CAUTION: This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.

Good Morning Peter,

I am once again looking for direction on how to get the balance of the Crown Lease Transfers from Petrocapita to Revitalize completed. I realize that the one transfer we have in has Manitok as the designated representative, so it is being held because of rental arrears. Is there a reason that the other transfer, which contains the majority of our leases, is being held up?

The delay is causing issues with Revitalize carrying on business as we aren't recognized by the Crown.

Would it be advantageous to once again delete the Transfer and input a separate Transfer for each lease document?

Any assistance would be appreciated.

Thank you

Laurie McLeod

A better kind of Energy company

T: +1.877.858.8006

E: lauriemcleod@reenergyinc.com

W: www.reenergyinc.com

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Appendix C

**IN THE MATTER OF THE RECEIVERSHIP OF
PETROCAPITA OIL AND GAS L.P., et al.
Hudson & Company Insolvency Trustees Inc., Receiver
Statement of Receipts and Disbursements
For the period of June 11, 2019 to January 8, 2021**

RECEIPTS	Totals
Operating receipts - sale of oil and related products	\$ 1,636,280.38
Net of joint-interest-billings	60,411.83
Net oil sale receipts	1,575,868.55
Proceeds from en bloc asset sale	551,623.92
Accounts receivable collections	312,118.21
Refunds of security deposits, net	144,134.51
GST collected	102,001.30
Fund on hand at date of receivership	50,602.84
GST refund	43,690.19
TOTAL RECEIPTS	\$ 2,780,039.52
DISBURSEMENTS	
Operating expenses (well maintenance, supplies, etc.)	531,658.99
Outside consulting, including staffing, wellsite operators, etc.	499,346.66
Other disbursements incl. royalties, GORR's, surface rentals, etc.	309,371.41
Receiver's fees and costs to October 31, 2020	270,047.00
Legal fees and costs to October 21, 2020	243,358.37
Transport and trucking costs	116,350.74
Insurance	113,365.00
Occupation rent	66,309.00
GST remitted to CRA	47,733.10
GST paid on disbursements	26,835.66
GST on Receiver's fees and costs	13,502.37
GST on legal fees and costs	12,135.81
PST paid on disbursements	6,653.79
Other administrative costs	4,445.62
PST paid on legal fees and costs	354.75
TOTAL DISBURSEMENTS	\$ 2,261,468.27
Excess of Receipts over Disbursements/ Remaining Funds on Hand	\$ 518,571.25

Appendix D

PETROCAPITA OIL & GAS L.P.
PROPERTY TAX ALLOCATION 2019 and 2020 - PRODUCING WELLS ONLY

		2020												GRAND TOTAL				
		2019												TOTAL 2020				
ALBERTA	NO. PRODUCING WELLS/FACILITIES	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL 2019	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	TOTAL 2020	TOTAL
COUNTY OF VERMILION RIVER	7	\$ 4,227.82	\$ 6,423.39	\$ 6,237.02	\$ 6,095.82	\$ 6,237.02	\$ 6,035.82	\$ 6,212.82	\$ 41,409.71	\$ 5,044.61	\$ 4,519.98	\$ 3,772.82	\$ -	\$ -	\$ 1,783.20	\$ 2,154.70	\$ 17,275.31	\$ 58,685.02
SASKATCHEWAN																		
RMI BRITANNIA #502	2	\$ 363.10	\$ 562.80	\$ 562.80	\$ 544.65	\$ 562.80	\$ 544.65	\$ 92.62	\$ 3,233.42									\$ 3,233.42
RMI MANITOU LAKE #442	9	\$ 6,874.42	\$ 10,655.34	\$ 10,655.34	\$ 10,311.62	\$ 10,655.34	\$ 10,311.62	\$ 9,801.18	\$ 69,264.86	\$ 9,834.93	\$ 8,481.18	\$ 8,977.37	\$ 8,687.77	\$ 8,977.37	\$ 9,381.63	\$ 9,774.02	\$ 64,114.27	\$ 133,379.13
		\$ 11,465.34	\$ 17,641.53	\$ 17,455.16	\$ 16,892.09	\$ 17,455.16	\$ 16,892.09	\$ 16,106.62	\$ 113,607.99	\$ 14,879.54	\$ 13,001.16	\$ 12,750.19	\$ 8,687.77	\$ 8,977.37	\$ 11,164.83	\$ 11,928.72	\$ 81,389.58	\$ 195,297.57

Appendix E

**IN THE MATTER OF THE RECEIVERSHIP OF
 PETROCAPITA OIL AND GAS L.P., et al.
 Hudson & Company Insolvency Trustees Inc., Receiver
 Summary of Proposed Distribution**

Funds on hand as at January 8, 2021 **\$ 518,571.25**

Expected receipts

Refund of security deposit from the AER, net (Jan 12/21) 60,516.57

Subtotal 579,087.82

Remaining Unpaid Disbursements

Receiver's Fees - November 1, 2020 to January 8, 2021 17,500.00

Receiver's Fees - Estimated to close 15,000.00

Receiver's Fees - Estimated GST 1,625.00

Receiver's counsel - October 22 to January 8, 2021 15,000.00

Receiver's counsel - Estimated to close 15,000.00

Receiver's counsel - Estimated GST 1,500.00

Subtotal 65,625.00

Direct Property Taxes - RM's for June 11, 2019 to July 31, 2020 195,297.57

Net Funds Remaining **318,165.25**

Payment of Pre-Filing Tax Amounts

County of Vermillion River 95,429.55
 (lesser of 62.5% of \$318,165.25 or \$95,429.55)

Regional Municipality of Manitou Lake 106,585.36
 (lesser of 33.5% of \$318,165.25 or \$1,149,065.81)

Regional Municipality of Britannia 12,726.61
 (lesser of 4.0% of \$318,165.25 or \$144,739.74)

Net Remaining **\$ 103,423.73**

Appendix F

COURT FILE NUMBER 1901 - 07098
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF SAFEWAY HOLDINGS (ALBERTA) LTD.
DEFENDANTS PETROCAPITA OIL AND GAS L.P.,
PETROCAPITA G.P. I LTD., PETROCAPITA
PROCESSING L.P. AND PETROCAPITA G.P. II
LTD.

DOCUMENT DISCHARGE CERTIFICATE

DATED:

**PREPARED BY HUDSON & COMPANY
INSOLVENCY TRUSTEES INC.**

**ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT**

RECEIVER:
Hudson & Company Insolvency Trustees Inc.
Attention: Bruce Hudson/Stefan DuChene
200, 625 - 11th Avenue SW
Calgary, Alberta T2R 0E1
Ph. (403) 213-5406/(403) 984-9553
Fx. (403) 234-8770
Email: bHUDSON@HUDSONINC.CA
Email: SDUCHENE@HUDSONINC.CA

LEGAL COUNSEL:
Dentons Canada LLP
Attention: Derek Pontin/John Regush
Bankers Court, 15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Ph. (403) 268-6301/7086 Fx. (403) 268-3100
Email: derek.pontin@dentons.com
Email: john.regush@dentons.com

The undersigned hereby certifies for the purposes of the Order made on the 19th day of January, 2021 in the matter of the receivership of the assets of Petrocapita Oil and Gas L.P., Petrocapita

G.P. I Ltd., Petrocapita Processing L.P. and Petrocapita G.P. II Ltd., under Court File No. 1901 – 07098 (the “**Receivership Proceedings**”) that:

- a) All assets have been distributed in accordance with the Receiver’s Fourth Report as approved by this Honourable Court; and
- b) All other material administrative matters have been attended to by the Receiver.

The undersigned is now discharged and the Receivership Proceedings are terminated.

Dated at Calgary, Alberta the ___th day of _____, 2021.

HUDSON & COMPANY INSOLVENCY TRUSTEES INC.

In its capacity as Court-Appointed Receiver and Manager of
Petrocapita Oil and Gas LP, Petrocapita G.P. I Ltd.,
Petrocapita Processing LP and Petrocapita G.P. II Ltd.
and not in its personal capacity

Stefan DuChene, CPA, CA, CIRP
Senior Vice-President