



Form 27
Rules 6.3 and
10.52(1)]
Clerk's Stamp

\$50
July 10, 2020
COM

COURT FILE NUMBER

25-2332583
25-2332610
25-2335351

COURT

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE

CALGARY

PROCEEDINGS

IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF MANITOK ENERGY INC.

IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF RAIMOUNT ENERGY CORP.

IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF CORINTHIAN OIL CORP.

APPLICANT

ALVAREZ & MARSAL CANADA INC. in its
capacity as the Court-appointed receiver and
manager of MANITOK ENERGY INC. and
RAIMOUNT ENERGY CORP.

DOCUMENT

APPLICATION BY RECEIVER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2

Phone: +1 403.267.8222
Fax: +1 403.264.5973
Email: howard.gorman@nortonrosefulbright.com /
aaron.stephenson@nortonrosefulbright.com

Attention: Howard A. Gorman, Q.C. / D. Aaron Stephenson
File No.: 1001023920

NOTICE TO RESPONDENTS

This application is made against you. You are a respondent. You have the right to state your side of this matter before the judge.

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

Date: July 10, 2020
Time: 11:00 AM
Where: Calgary Courts Centre
Before Whom: Romaine J. (on the Commercial List)

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

Remedy claimed or sought:

1. Alvarez & Marsal Canada Inc. in its capacity as receiver and manager (**A&M** or the **Receiver**) of Manito Energy Inc. (**Manito**) and Raimount Energy Corp. (**Raimount**), applies for an order, substantially in the form attached as Schedule A:

- (a) authorizing the Receiver to make distributions from the Municipal Tax Holdback (as defined below) on account of municipal taxes to Kneehill County, Clearwater County, the County of Taber, Wheatland County and Rockyview County;
- (b) declaring that any distribution made to a municipality hereunder shall fully and finally satisfy all claims by such municipality;
- (c) directing the Receiver to release the remainder of the Municipal Tax Holdback and the undistributed portion of the Ferrier Holdback as general estate funds;
- (d) approving an interim distribution of general estate funds in the amount of \$2,502,000 to NBC and AER in accordance with their Distribution Agreement (all as defined below);
- (e) approving the Receiver's actions and activities, as detailed in the Tenth through Fourteenth Reports of the Receiver;
- (f) approving the Receiver's interim statement of receipts and disbursements through to June 3, 2020, including those receipts and disbursements previously approved;
- (g) approving the fees and disbursements of the Receiver and its counsel between May 1, 2019 and April 30, 2020; and
- (h) such further or other relief as counsel may advise and this Honourable Court may grant.

Grounds for making this application:

2. Effective February 20, 2018 (**Receivership Date**), the Court of Queen's Bench of Alberta (**Court**) granted an order (**Receivership Order**) appointing A&M as Receiver, without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, including but not limited to real property wherever situate and including all proceeds thereof (**Property**) of Manito and Raimount. On the same date, A&M was appointed as trustee of Manito, Raimount and Corinthian Oil Corp.

3. The Receiver implemented a Court-approved sale process, which resulted in various sales of Property. One such sale involved a purchase of Property by Persist Oil and Gas Inc. (or its predecessor)

(**Persist**). Paragraph 12 of the sale approval and vesting order for the Receiver's sale to Persist (**Persist SAVO**) established a holdback for unpaid municipal tax claims in the amount of \$1,760,337.53 (**Municipal Tax Holdback**) and affirmed the existence of a previously established holdback for unpaid municipal tax claims in the amount of \$1,625,553.51 (**Ferrier Holdback**).

4. On October 17, 2019, the Court granted an order pursuant to which all but \$50,000.00 of the Ferrier Holdback was distributed by the Receiver.

5. The Receiver is seeking approval to facilitate distributions from the Municipal Tax Holdback to municipalities that concur with the Receiver's determination of their priority claims in full and final satisfaction of the claims of such municipalities.

6. The Receiver is further seeking approval to transfer the remainder of the Municipal Tax Holdback and Ferrier Holdback to general estate funds, and to make an interim distribution of general estate funds in the amount of \$2,502,000 in partial satisfaction of the priority claim of National Bank of Canada (**NBC**) and the public interest as represented by the Alberta Energy Regulator (**AER**) in accordance with *Redwater*.¹ Such distribution shall be made in accordance with the confidential Distribution Agreement between NBC and AER (as described in the Receiver's Eleventh Report).

7. On October 17, 2018, the Court granted an order that, in part, approved the actions taken by the Receiver through to that date and approved the Receiver's interim statement of receipts and disbursements through to September 27, 2018. On November 5, 2018, the Court granted an order that, in part, approved the fees and expenditures of the Receiver and Receiver's legal counsel through to July 31, 2018. On July 9, 2019, the Court granted an order that, in part, approved the actions taken by the Receiver through to the date of the Receiver's Ninth Report (June 25, 2019), approved the Receiver's interim statement of receipts and disbursements through to May 31, 2019 and approved the fees and expenditures of the Receiver and Receiver's legal counsel between August 1, 2018 and April 30, 2019.

8. Since the filing of the Receiver's Ninth Report, when the Receiver last reported on its actions generally, the Receiver has been principally engaged in the following activities:

- (a) preparing the Tenth through Thirteenth Reports on specific matters, as addressed therein;
- (b) completing six marginally accretive sale transactions;

¹ *Orphan Well Association v Grant Thornton Ltd*, [2019] 1 SCR 150.

- (c) completing the third and fourth interim distributions to NBC and AER (as described in the Receiver's Eleventh Report);
- (d) facilitating an agreement with PrairieSky Royalty Ltd. and the AER to distribute a previously stabled holdback;
- (e) responding to Persist's request to further amend its purchase and sale agreement and managing the consequential effect on the Receiver's disclaimer of assets, which resulted in the entry of two orders on May 22, 2020;
- (f) negotiating the resolution of priority claims; however, priority claims of Yangarra Resources Inc. (**Yangarra**) and two builders' lien claimants are still unresolved;
- (g) finalizing post-closing matters in relation to the Shanghai Energy Corporation sale transaction;
- (h) finalizing and otherwise attending to post closing matters in relation to the Persist sale transaction;
- (i) completing post closing matters in relation to a pre-receivership sale transaction involving DOAG Energy Ltd.;
- (j) responding to a third party claim by Yangarra against the Receiver and now against the Manitok estate;
- (k) analyzing and addressing municipal tax claims and negotiating the priority claims of five municipalities;
- (l) finalizing and settling a claim with Ember Resources;
- (m) attending to end of life obligations, as agreed with the AER and NBC;
- (n) analyzing the saleability of remaining assets;
- (o) reviewing, analyzing and making efforts to negotiate the resolution of the two builders' lien claims noted above;
- (p) resolving responsibility for AER fees relating to the Persist transaction;
- (q) communicating with various secured creditors and the AER;

- (r) analyzing, negotiating and collecting accounts receivable, although certain receivables are still outstanding; and
- (s) instructing legal counsel in relation to same.

9. The Receiver has paid its own professional fees and those of its counsel up to April 30, 2020. The Receiver's fees and expenditures up to April 30, 2020 are approximately \$3.5 million (excluding GST) since the Receivership Date, approximately \$1.1 million of which were incurred since May 1, 2019. The fees and expenditures of the Receiver's principal legal counsel up to April 30, 2020 are approximately \$1.9 million (excluding GST), approximately \$500,000 of which were incurred since May 1, 2019. In addition, the fees and expenditures of the Receiver's two sets of conflict counsel are approximately \$50,000 in total (excluding GST) between May 1, 2019 and April 30, 2020. The Receiver is now seeking approval of its fees and costs, and those of all of its counsel, between May 1, 2019 up to April 30, 2020.

10. Between June 1, 2019 and June 3, 2020, receipts totaled approximately \$4,821,000 and disbursements totaled approximately \$3,067,000, all as described in the Receiver's Fourteenth Report. The Receiver is currently holding approximately \$5,380,000 (without accounting for the proposed interim distribution to NBC and AER) and an additional \$50,000 is being held by the Receiver's counsel. The Receiver is now seeking approval of its interim statement of receipts and disbursements through to June 3, 2020, including those receipts and disbursements previously approved.

11. Such further and other grounds as counsel may advise.

Material or evidence to be relied on:

12. Ninth through Fourteenth Reports of the Receiver, all filed.

13. The Receivership Order, filed February 20, 2018, the Persist Sale Approval and Vesting Order, filed January 18, 2019 and the Distribution Order, filed October 17, 2019.

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

Applicable rules:

15. Rules 6.3(1) and 6.9 of the *Alberta Rules of Court*.

16. Such further and other Rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

17. The *Bankruptcy and Insolvency Act*, RSC 1985 c. B-3.
18. Such further Acts or regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

19. None.

How the application is proposed to be heard or considered:

20. In person, with counsel present, on the date first noted hereon or so soon thereafter as counsel may be heard and this Honourable Court may permit.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

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

Schedule “A”

COURT FILE NUMBER	25-2332583 25-2332610 25-2335351
COURT	COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE	CALGARY
PROCEEDINGS	IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF MANITOK ENERGY INC. IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF RAIMOUNT ENERGY CORP. IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF CORINTHIAN OIL CORP.
DOCUMENT	ORDER
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Norton Rose Fulbright Canada LLP 400 3rd Avenue SW, Suite 3700 Calgary, Alberta T2P 4H2 CANADA Attention: Howard A. Gorman, QC and D. Aaron Stephenson Telephone: +1 403.267.8144 Facsimile: +1 403.264.5973 howard.gorman@nortonrosefulbright.com aaron.stephenson@nortonrosefulbright.com File No. 1001023920 Box No. 39

DATE ON WHICH ORDER WAS PRONOUNCED:	July 10, 2020
NAME OF JUDGE WHO MADE THIS ORDER:	Romaine J.
LOCATION OF HEARING:	Calgary, Alberta

UPON the Application of Alvarez & Marsal Canada Inc. in its capacity as the receiver and manager (**Receiver**) of Manitok Energy Inc. (**Manitok**) and Raimount Energy Corp. (**Raimount**); **AND UPON** reviewing the Ninth through Fourteenth Reports of the Receiver; **AND UPON** reviewing the orders filed in these proceedings on January 18, 2019 (**Persist SAVO**), April 12, 2019 and October 17, 2019; **AND UPON** hearing from counsel for the Receiver and any other parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of this application and all supporting materials is abridged, if necessary, and service of this application and all supporting materials is deemed good and effective.
2. The Receiver is hereby authorized to make the following distributions from the holdback established under paragraph 12(c)(ii) of the Persist SAVO (**Municipal Tax Holdback**):
 - (a) To Kneehill County, in the amount of \$357,540.45;
 - (b) To Clearwater County, in the amount of \$465,748.56;
 - (c) To the County of Taber, in the amount of \$22,757.82;
 - (d) To Wheatland County, in the amount of \$381,063.73; and
 - (e) To Rockyview County, in the amount of \$63,824.31.
3. Any distribution made in accordance with paragraph 2 herein shall fully and finally satisfy all claims by the municipality receiving such distribution by, through or against the Receiver and the estates of Manitok and Raimount, or otherwise arising from the interests of the Receiver, Manitok or Raimount in property within such municipality.
4. The undistributed remainder of the Municipal Tax Holdback shall be released to become general estate funds.
5. The portion of the holdback described under paragraph 12(c)(i) of the Persist SAVO (**Ferrier Holdback**) that was not distributed in accordance with the Fourth Interim Distribution Order, filed October 16, 2019, shall be released to become general estate funds.
6. The Receiver is hereby authorized to make an interim distribution in the amount of \$2,502,000.00 to National Bank of Canada and the Alberta Energy Regulator in accordance with the Distribution Agreement to which they are parties, as described in the Receiver's Eleventh Report.
7. The Tenth through Fourteenth Reports of the Receiver and the actions taken by the Receiver as described therein are hereby approved.
8. The Receiver's interim statement of receipts and disbursements through to June 3, 2020, including receipts and disbursements previously approved, as described in the Fourteenth Report of the Receiver, is hereby approved.

9. The fees and expenditures of the Receiver and Receiver's legal counsel (including the Receiver's two sets of conflict counsel) between May 1, 2019 and April 30, 2020 are hereby approved.

J.C.Q.B.A.