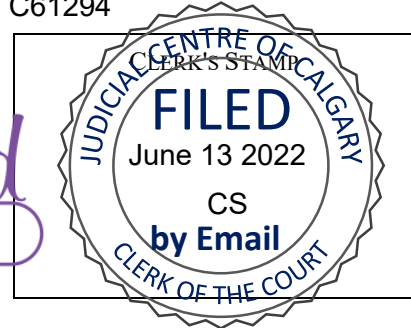


C61294

Entered



COURT FILE NUMBER

2001-06930

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

\$50.00
COM
June 20222

APPLICANT

ORPHAN WELL ASSOCIATION

RESPONDENT

POINT LOMA RESOURCES LTD.

DOCUMENT

**APPLICATION BY RECEIVER FOR
CONDITIONAL DISCHARGE & APPROVAL OF
ACCOUNTS**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Keely Cameron
Telephone No.: 403-298-3324
Fax No.: 403-265-7219
Client File No.: 68775.3

NOTICE TO RESPONDENT(S):

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

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

Date: June 20, 2022
Time: 2:00 PM
Where: Edmonton Law Courts, 1A Sir Winston Churchill Square,
Edmonton, AB (via Webex)
Before Whom: The Honourable Justice D. R. Mah

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. BDO Canada Limited, in its capacity as the Court-appointed receiver (the "**Receiver**") of Point Loma Resources Ltd. ("**Point Loma**") seeks an Order substantially in the form of the proposed Order attached as **Schedule "A"** to this Application which:
 - (a) Declares service to be good and sufficient;
 - (b) Approves all steps taken by the Receiver in these receivership proceedings to date;
 - (c) Approves and passes the accounts of the Receiver and its counsel, as set out in the Fourth Report of the Receiver dated June 13, 2022 ("**Fourth Report**");
 - (d) Authorizes the partial repayment to the Orphan Well Association should there be any funds available for distribution; and
 - (e) Conditionally Discharges the Receiver.
2. Such further and other relief, advice and directions as counsel may request and this Honourable Court may deem just and appropriate in the circumstances.

Grounds for making this application:

3. The grounds for making this application are set out in the Fourth Report. These grounds include but are not limited to the following:

Background

4. Point Loma is an oil and gas exploration and production company with its head office in Calgary. At the time of Receivership, it held Alberta Energy Regulator ("**AER**") licenses for 300 well licenses, 56 facility licenses, and 182 pipeline (segment) licenses.
5. Following the resignation of the directors of Point Loma and upon the application of the Orphan Well Association ("**OWA**"), the Receiver was appointed on June 8, 2020 as receiver of Point Loma pursuant to the Receivership Order.

6. The AER and OWA are Point Loma's primary stakeholders as a result of Point Loma's abandonment and reclamation obligations.

Approval of the Conditional Discharge

7. The Receiver has completed the marketing of the Point Loma Properties.
8. By order dated, June 17, 2021, the Court grant an Order authorizing the Receiver to be discharged with respect to Point Loma's interests in wells, pipelines and facilities for which were not subject to Court approved transactions or potential transactions or possible candidates for abandonment and rehabilitation work pursuant to the Government of Alberta's Site Rehabilitation Program (the "**SRP**").
9. This partial discharge was sought to minimize ongoing costs, including with respect to insurance.
10. Since the last application, the Receiver was able to conclude three further minor transactions as described in the Fourth Report and have work commenced on some of the wells selected by Vertex for abandonment pursuant to the SRP program.
11. Subject to the completion of the SRP work, the Receiver has substantially completed its mandate.
12. The conditional discharge of the Receiver as proposed is just, appropriate and in the best interest of the administration of the receivership estate and the affected stakeholders.

Approval of the Receiver's Activities

13. In the Fourth Report, the Receiver has set out in detail a description of the activities undertaken by the Receiver. The Receiver seeks approval on the basis that the Receiver's activities were appropriate and in accordance with the Receiver's mandate.

Approval of the Accounts of the Receiver and Its Counsel

14. The accounts of the Receiver and its counsel are fair and reasonable and have been validly incurred in connection with the conduct of the Receiver's obligations.

Distribution to the Orphan Well Association

15. To the extent there are any funds available, the Receiver seeks to pay such residual funds to the OWA as a partial repayment of the Receiver Certificates.
16. The Receiver has borrowed \$736,000 from the OWA pursuant to the Receivership Order which provided for a fixed and specific charge as security for payment of the borrowings subordinate only to the Receiver's Charge and charges set out in Sections 14.06(7), 81.4(4), 81.6(2) and 88 of the *Bankruptcy and Insolvency Act*.
17. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

18. The pleadings and prior Receiver's Reports filed in these proceedings.
19. The Fourth Report of the Receiver.
20. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable rules:

21. *Alberta Rules of Court*, AR 124/2010, and in particular Rules 1.3, 6.3, and 11.27.
22. *Bankruptcy and Insolvency General Rules*, and in particular Rules 6 and 11.
23. Such further and other rules as counsel may advise and this Honourable Court permits.

Applicable Acts and regulations:

24. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended; and
25. Such further and other Acts and regulations as counsel may advise.

Any irregularity complained of or objection relied on:

26. None.

How the application is proposed to be heard or considered:

27. Via WebEx, with the Applicant and any interested parties providing oral submissions before the Honourable Justice D. R. Mah of the Commercial List, at the Edmonton Law Courts.

WARNING

Article I. If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order that the Court makes.

Article II. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

CLERK'S STAMP

COURT FILE NUMBER 2001-06930
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT ORPHAN WELL ASSOCIATION
RESPONDENT POINT LOMA RESOURCES INC.

DOCUMENT **ORDER FOR CONDITIONAL DISCHARGE OF
RECEIVER, APPROVAL OF ACTIVITIES &
ACCOUNTS**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7
Attention: Keely Cameron
Telephone No.: 403-298-3324
Fax No.: 403-265-7219
Client File No.: 68775.3

**DATE ON WHICH ORDER
WAS PRONOUNCED:**

June 20, 2022

**LOCATION WHERE ORDER
WAS PRONOUNCED:**

Edmonton Law Courts, 1A Sir Winston Churchill
Square, Edmonton, AB (via Webex)

**NAME OF JUSTICE WHO
MADE THIS ORDER:**

The Honourable Justice D. R. Mah

UPON THE APPLICATION of BDO Canada Limited, in its capacity as the Court-appointed receiver (the "**Receiver**" or "**BDO**") of Point Loma Resources Ltd. ("**Point Loma**"); **AND UPON** having read the Receiver's Fourth Report dated June 13, 2022 (the "**Fourth Report**"); **AND UPON** hearing counsel for the Receiver and counsel for other interested parties; **AND UPON** being satisfied that it is appropriate to do so, IT IS ORDERED THAT:

DEFINITIONS

1. All capitalized terms used but not defined herein shall bear their meanings as defined in the Fourth Report.

SERVICE

2. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application.

APPROVAL OF THE RECEIVER'S ACTIVITIES

3. The Receiver's activities as set out in the Fourth Report, are hereby ratified and approved.

APPROVAL OF ACCOUNTS

4. The Receiver's accounts for fees and disbursements, as set out in the Fourth Report are hereby approved without the necessity of a formal passing of its accounts, including estimated final accounts.
5. The accounts of the Receiver's legal counsel, Bennett Jones LLP, for its fees and disbursements, as set out in the Fourth Report, are hereby approved without the necessity of a formal passing of its accounts, including estimated final accounts.

CONDITIONAL DISCHARGE OF RECEIVER

6. On the evidence before the Court, the Receiver has satisfied the obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any fraud, gross

negligence or willful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing, any claims against the Receiver in connection with the performance of its duties for the Residual Interests are hereby stayed, extinguished and forever barred.

7. The Receiver is hereby discharged in respect of all of Point Loma's remaining operated and non-operated interests in oil and gas wells, pipelines and facilities as well as the associated licenses, regulatory approvals, mineral leases, surface leases and agreements, excluding those oil and gas wells that are the subject of the remaining Site Rehabilitation Program Work as set out in Appendix "A" of the Fourth Report.
8. Upon the Receiver filing with the Clerk of the Court a Certificate of Discharge, substantially in the form attached hereto as **Schedule "A"** evidencing that all steps required to complete these Receivership Proceedings have been completed, the Receiver shall be discharged as Receiver of Point Loma. Notwithstanding the Receiver's discharge, the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and the Receiver shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of the Receiver, in its capacity as receiver.
9. No action or proceeding shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on notice to the Receiver, and upon such terms as this Court may direct.

RECORDS

10. The Receiver may transfer any further records to the Orphan Well Association that may be required to administer any of Point Loma's remaining properties.

DISTRIBUTION OF RESIDUAL FUNDS

11. The Receiver may distribute any residual funds to the Orphan Well Association in partial repayment of the Receiver's borrowing.

MISCELLANEOUS

12. The Receiver has leave to apply or reapply to this or any court or administrative body in any province of Canada for advice, assistance and directions as may be necessary to carry out the terms of this Order.
13. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by Facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
14. Service of this Order on any party not attending this application is hereby dispensed with.

J.C.Q.B.A.

Schedule "A"
FORM OF RECEIVER'S DISCHARGE CERTIFICATE

CLERK'S STAMP

COURT FILE NUMBER	2001-06930
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ORPHAN WELL ASSOCIATION
RESPONDENT	POINT LOMA RESOURCES LTD.
DOCUMENT	<u>RECEIVER'S DISCHARGE CERTIFICATE</u>

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	BENNETT JONES LLP Barristers and Solicitors 4500, 855 – 2nd Street S.W. Calgary, Alberta T2P 4K7
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Attention: Keely Cameron
Telephone No.: 403-298-3324
Fax No.: 403-265-7219
Client File No.: 068775.0003

RECITALS

- A. Pursuant to an Order of the Honourable Justice P. R. Jeffrey of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**"), dated June 8, 2020, BDO Canada Limited was appointed as the Receiver (the "**Receiver**") of the undertaking, property and assets of Point Loma Resources Ltd. ("**Point Loma**").
- B. Pursuant to an Order of the Honourable Justice D.R. Mah of the Court of Queen's Bench of Alberta, dated June 20, 2022, the Court, among other things, ordered the discharge of the Receiver, upon the filing of a Receiver's Certificate.

THE RECEIVER CERTIFIES the following:

1. The Receiver hereby certifies that all steps required to complete the Receivership Proceedings have been completed.

2. This Certificate was delivered by the Receiver at Calgary, Alberta on _____.

BDO CANADA LIMITED in its capacity as Receiver of the undertaking, property and assets of Point Loma, and not in its personal capacity.

Per: _____

Name:

Title: