

COURT FILE NUMBER 25-2332583
25-2332610
25-2335351

Clerk's Stamp

COURT 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.

APPLICANT ALVAREZ & MARSAL CANADA INC. in its capacity as the
Receiver and Manager of MANITOK ENERGY INC.

DOCUMENT **APPLICATION BY RECEIVER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Scott Venturo Rudakoff LLP
Barristers and Solicitors
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File No: 69043.001

NOTICE TO RESPONDENT: YANGARRA RESOURCES INC.

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	October 15, 2020
Time	2:00 PM
Where	Calgary Courts Centre, 601 – 5 Street S.W., Calgary, AB T2P 5P7
Before Whom	The Honourable Madam Justice B.E.C. Romaine, 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 (the “**Receiver**”) of Manito Energy Inc. (“**Manitok**”), seeks the following relief:
 - (a) An Order dismissing the claim to certain funds being advanced by Yangarra Resources Inc. (“**Yangarra**”);
 - (b) If necessary, an order deeming service of this application and all supporting materials good and sufficient; and
 - (c) Such further and other relief as may be sought by the Receiver and this Honourable Court may deem appropriate.

Grounds for making this application:

2. Pursuant to an Asset Purchase Agreement made effective October 1, 2017, Yangarra purchased certain assets from Manito Energy Inc. in the Ferrier area of Alberta (“**Yangarra APA**”). The Yangarra APA included certain Manito Energy Inc. natural gas wells. Orlen Upstream Canada Ltd. (“**Orlen**”) processed the natural gas and related products from these wells through its facilities and charged Manito Energy Inc. processing and related fees.
3. Yangarra has commenced action against Orlen in the Court of Queen’s Bench of Alberta as Court File No. 1801-17233 (the “**Orlen Action**”). Orlen has filed a Counterclaim against Yangarra in the Orlen Action seeking damages in the amount of \$94,975 in respect of processing and related fees for the period from October 2017 to January 2018 (the “**Orlen Counterclaim**”).
4. Yangarra has filed an Amended Third Party Claim against Manito Energy Inc. and the Receiver in the Orlen Action (the “**Yangarra Claim**”) seeking contribution and indemnity in respect of any liability for the amount being sought in the Orlen Counterclaim. The Yangarra Claim also seeks payment of Proceeds and Winter Service Fees, as defined therein. The Yangarra Claim has been stayed pursuant to the terms of a Consent Order filed October 29, 2019 in the Orlen Action.

5. To the best of the Receiver's knowledge, the Orlen Counterclaim has not been determined. Nor has the Receiver been provided with proof or quantification of the amount sought in the Orlen Counterclaim.
6. Under the terms of the Yangarra APA, Manitek was responsible for paying the Winter Service Fees. However, the Winter Service Fees are pre-Receivership obligations and consequently are unsecured claims in the Receivership Proceedings, subordinate to both the secured claim of NBC and end of life obligations to the AER.
7. The transaction giving rise to the Yangarra Claim was a pre-Receivership transaction and the Receiver has no obligation or requirement to pay any claims relating to or arising out of that transaction.
8. The allegations in the Yangarra Claim that a trust was created and that the Receiver was acting as a trustee have no basis and the Receiver has not been provided with any evidence to support these allegations.
9. The Consent Order granted on October 29, 2019 required Yangarra to file and serve an application for the Proceeds and Winter Service Fees such claims in the Manitek Receivership. No such application has been filed or served and any such claims are now statute barred.
10. The Winter Service Fees and Proceeds relate to the Yangarra APA, which is a pre-Receivership transaction. Any amounts payable by Manitek to Yangarra for these claims would, in accordance with the Yangarra APA, be adjustments to the Purchase Price as determined by a FSOA. These are unsecured claims which the Receiver has no obligation or requirement to pay.

Material or evidence to be relied on:

11. The Receiver intends to rely on the following materials:
 - (a) The Sixteenth Report of the Receiver, to be filed concurrently with this application, and the Receiver's prior reports;
 - (b) The Receivership Order, dated February 20, 2018; and

- (c) Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

12. Rules 1.2, 1.3, 1.4, 6.3, 6.9, 10.29 and 11.27 of the Alberta *Rules of Court* and such further and other rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

13. *Bankruptcy and Insolvency Act*, RSC 1985 c B-3.

Any irregularity complained of or objection relied on:

14. None.

How the application is proposed to be heard or considered:

15. Remotely via WebEx before the presiding Justice in Commercial Court.

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 at the 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.