

Clerk's Stamp

CLERK OF THE COURT
FILED
OCT 25 2016
CALGARY, ALBERTA

COURT FILE NO.: 1601-07022
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF ALBERTA TREASURY BRANCHES
DEFENDANT NORTHPOINT RESOURCES LTD.

IN THE MATTER OF THE RECEIVERSHIP OF NORTHPOINT
RESOURCES LTD.

DOCUMENT

**APPLICATION FOR ORDER AUTHORIZING FINAL
DISTRIBUTION, APPROVING THE RECEIVER'S
ACTIVITIES, AUTHORIZING INTERIM DISTRIBUTION
and DISCHARGING THE RECEIVER**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

Gowling WLG (Canada) LLP
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File No. A154348

Attention: Tom Cumming

NOTICE TO RESPONDENT:

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: November 3, 2016
Time: 2:00 p.m.
Where: Calgary Court Centre
Before Whom: The Honourable Justice D.B. Nixon

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

Remedy claimed or sought:

1. Ernst & Young Inc., in its capacity as court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Northpoint Resources Ltd. (“**Northpoint**”) seeks an Order (the “**Discharge Order**”), substantially in the form attached as Schedule “A” hereto:

- (a) abridging the time for service of this Application and declaring that this Application is property returnable today and further service is dispensed with;
- (b) approving the accounts of the Receiver and its counsel as set out in the Second Report of the Receiver dated October 25, 2016 (the “**Second Report**”);
- (c) approving the activities of the Receiver disclosed in the Second Report;
- (d) approving the Receiver’s Statement of Receipts and Disbursements for the period from the appointment of the Receiver to October 21, 2016, as set out in the Second Report;
- (e) authorizing the Receiver to make a second interim distribution to Alberta Treasury Branches (“**ATB**”) in the amount of Cdn. \$800,000, subject to a reserve to be held back by the Receiver to complete its activities, and a final distribution to ATB of any remaining funds;
- (f) discharging the Receiver; and
- (g) such further and other relief as counsel may request and this Honourable Court may deem appropriate.

Grounds for making this application:

2. The grounds upon which the Receiver relies in applying for the Approval and Vesting Order are as follows:

- (a) on May 30, 2016, the Honourable Madam Justice K.M. Horner of the Court of Queen's Bench of Alberta pronounced an order appointing the Receiver of the Property of Northpoint (the "**Receivership Order**");
- (b) the Receiver's activities between September 24, 2016 to October 25, 2016, as summarized in the Second Report;
- (c) the Receiver's summary of its receipts and disbursements for the period from May 30, 2016 to October 24, 2016 is set out in the Second Report;
- (d) the aggregate amount of the secured indebtedness owing to ATB significantly exceeds the amount that realized by the Receiver and therefore there are no other parties with an economic interest in the Property which have not been provided for;
- (e) the security in favour of ATB has been reviewed by the Receiver's independent counsel and determined to be valid, enforceable and properly perfected;
- (f) the only remaining tasks that the Receiver has to carry out in the Receivership Proceedings are:
 - (i) the payment of an interim distribution of \$750,000 to ATB;
 - (ii) finalizing outstanding goods and services tax returns;
 - (iii) the transfer to the Orphan Well Association of certain books and records related to the wells, facilities and pipelines of Northpoint located in the Province of Alberta;
 - (iv) the payment of the costs to complete the administration of the receivership outlined in paragraphs 35 and 36 of the Second Report;
 - (v) upon the payment of the costs of completing the administration of the receivership, paying any remaining funds to ATB; and
 - (vi) such other incidental duties as may be required to complete the administration of the receivershi; and
- (g) the Receiver is proposing to make a second interim distribution to ATB of \$750,000 and to set aside a sufficient reserve to fund pay any remaining priority claims and fund the completion of the administration of the receivership.

Material or evidence to be relied on:

3. The Receiver intends to rely upon the following materials:

- (a) the Receivership Order, filed;

- (b) the First Report, filed;
- (c) the Second Report, filed; and
- (d) such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

4. The Receiver will rely upon and refer to the following during the making of the Application:
- (a) the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended; and
 - (b) such further and other rules as counsel for the Receiver may advise or this Honourable Court may permit.

Applicable Acts and regulations:

5. None.

Any irregularity complained of or objection relied on:

6. Not applicable.

How the application is proposed to be heard or considered:

7. In person.

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 this 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 NO.:	1601-07022
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ALBERTA TREASURY BRANCHES
DEFENDANT	NORTHPOINT RESOURCES LTD.
	IN THE MATTER OF THE RECEIVERSHIP OF NORTHPOINT RESOURCES LTD.
DOCUMENT	ORDER AUTHORIZING FINAL DISTRIBUTATION AND DISCHARGING THE RECEIVER
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Gowling WLG (Canada) LLP 1600, 421 – 7th Avenue S.W. Calgary, AB T2P 4K9 Telephone (403) 298-1938 Facsimile (403) 695-3538 File No. A154348 Attention: Tom Cumming
DATE ON WHICH ORDER WAS PRONOUNCED:	November 3, 2016
LOCATION WHERE ORDER WAS PRONOUNCED:	Calgary Court Centre
NAME OF JUDGE WHO MADE THIS ORDER:	Mr. Justice D. B. Nixon

UPON THE APPLICATION of Ernst & Young Inc., in its capacity as the Court-appointed receiver and manager (the "Receiver") of the undertaking, property and assets of Northpoint Resources Ltd. (the "Debtor") for an Order for the final distribution of proceeds, approval of the Receiver's fees and disbursements, approval of the Receiver's activities and discharge of the Receiver AND UPON hearing read the Receiver's Second Report dated October 25, 2016 (the "Second Report"); AND UPON hearing

counsel for the Receiver, counsel for the Debtor and counsel for various creditors; AND UPON being satisfied that it is appropriate to do so, IT IS ORDERED THAT:

1. 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, and time for service of this application is abridged to that actually given.
2. The Receiver's accounts for fees and disbursements, as set out in the Second Report, are hereby approved without the necessity of a formal passing of its accounts.
3. The accounts of the Receiver's legal counsel Gowling WLG (Canada) LLP, for its fees and disbursements, as set out in the Second Report, are hereby approved without the necessity of a formal assessment of its accounts.
4. The Receiver's activities, as set out in the Second Report and in all of its other reports filed herein, and the Statement of Receipts and Disbursements as attached to the Second Report, are hereby ratified and approved.
5. The Receiver is authorized and directed to make a distribution in the amount of \$750,000 to Alberta Treasury Branches.
6. On the evidence before the Court, the Receiver has satisfied its 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 in 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 are hereby stayed, extinguished and forever barred.
7. No action or other proceedings 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.
8. Upon the Receiver filing with the Clerk of the Court a sworn Affidavit of a licensed Trustee employed by the Receiver confirming that:

- (a) All matters set out in paragraph 5 of this Order have been completed; and
- (b) the Receiver has finalized the goods and services tax returns of the Debtor;
- (c) the Receiver has transferred the Orphan Well Association of certain books and records related to the wells, facilities and pipelines of the Debtor located in the Province of Alberta;
- (d) the Receiver has paid of the costs to complete the administration of the receivership outlined in paragraphs 35 and 36 of the Second Report; and
- (e) the Receiver has paid any remaining funds to Alberta Treasury Branches,

then the Receiver shall be discharged as Receiver of the Debtor, provided however, that notwithstanding its discharge herein (i) 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 (ii) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

9. 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.

10. Service of this Order on any party not attending this application is hereby dispensed with.

Justice of the Court of Queen's Bench of Alberta